Raiffeisenlandesbank Oberösterreich

INTERIM FINANCIAL REPORT 2022

rlbooe.at

INTERIM FINANCIAL REPORT 2022

CONTENTS

IN CHALLENGING TIMES, IT IS OUR TASK TO PROVIDE STABILITY AND ASSUME RESPONSIBILITY

The 2022 financial year got off to a promising start: although longer-term consequences of the coronavirus pandemic, such as supply chain problems and raw material shortages, were still being felt, forecasts at the time were for solid growth. Russia's attack on Ukraine in March, however, then cast a dark shadow over the entire global economy. A terrible war in the middle of Europe, a few hours' drive from Austria – unthinkable until then – had suddenly become reality. The after-effects of the sanctions and uncertainties in connection with gas deliveries from Russia as well as the development of energy and raw material prices are clearly dampening the economic upswing in Europe. The enormous rise in inflation is also having a negative impact on consumption and investment. By raising key interest rates in July, the European Central Bank took a first important and long overdue step to counteract this development.

Mastering increasingly complex challenges together

We currently have to deal not only with new political and economic but also with ecological trouble spots. As a bank, we bear a special responsibility in such a difficult economic phase. The task of Raiffeisenlandesbank Oberösterreich was and is to contribute to our customers’ making the right decisions and being optimally equipped for the future. Companies in particular are challenged to find optimal strategies to ensure that their business models remain viable and sustainable. Risks in the 21st century have therefore become complex and, above all, dynamic. Today, security is not a state that can be created, but rather a process that must be constantly realigned and built up.

Capital resources as a strong foundation

As a reliable financial partner, Raiffeisenlandesbank Oberösterreich cannot only draw on a strong international network and know-how built up over decades, but also offer solutions optimally tailored to its customers' needs. Our strong capital resources are a valuable basis and a central foundation for being able to counter unpredictability, but above all to support companies, institutions and private customers in their plans and projects as a reliable banking partner. The Common Equity Tier 1 capital ratio (CET 1 ratio) in the credit institution group is 14.4% as at 30 June 2022 and thus remains at a good level.

Raiffeisen sector can cushion negative scenarios

The business performance of Raiffeisenlandesbank Oberösterreich is always a reflection of the economic situation in Upper Austria. Not only as a financial partner of Upper Austrian companies, but also as a driving force for the location with an extensive investment portfolio, the negative consequences of the coronavirus pandemic are also clearly visible in the figures presented in the Interim Financial Report 2022. Necessary portfolio loan loss allowances on the basis of statistical models and impairments of investments accounted for at equity – especially in connection with Raiffeisen Bank International and voestalpine – have led to a negative result for the period for the Raiffeisenlandesbank Oberösterreich Group. Raiffeisen Bank International is represented in Ukraine as well as in Russia and Belarus and thus directly affected by the Ukraine war. However, the present results also show that Raiffeisenlandesbank Oberösterreich and the entire Raiffeisen Banking Group Upper Austria are securely positioned and can cushion any negative scenarios arising from the war in Ukraine. The Raiffeisen sector in Austria could cope with even worst-case scenarios thanks to a strong capital base.

Operating performance remains stable

Looking ahead to the coming months, the business performance of Raiffeisenlandesbank Oberösterreich AG and its Group companies is expected to remain stable. We can be very satisfied with the operating business for the first half of 2022 despite the challenges mentioned. This is particularly noticeable in the financing volume (loans and advances to customers), which stands at EUR 26.3 billion as at 30 June 2022, representing growth of 3.8% compared to the end of 2021. The credit quality was also very solid in the first half of the year: the NPL ratio of 2.2% at the end of June 2022 is at an extremely satisfactory level.

Another successful EUR 500 million bond issue

Not only customers but also the international financial markets place a high degree of trust in the Raiffeisenlandesbank Oberösterreich Group: In the first half of 2022, Raiffeisenlandesbank Oberösterreich once again made a successful appearance on the international financial market with a secured bond in the amount of EUR 500 million. The investment opportunity was used by banks, institutional investors, insurance companies and funds, and the bond was oversubscribed 1.7 times.

Courage, openness and trust

The domestic economy is still in a fragile situation, especially due to the current energy crisis. All the more reason to have financial partners with a strong network, extensive know-how and clear visions. Raiffeisenlandesbank Oberösterreich will continue to make it its responsibility also in the coming months to ensure stability, to be there for our customers and to accompany them closely and at minimum lead time with their projects. With courage, openness and the great trust of our customers, we will also succeed in the future in further expanding the strong market position of Raiffeisenlandesbank Oberösterreich.

Heinrich Schaller
Chief Executive Officer of Raiffeisenlandesbank Oberösterreich

INTERIM MANAGEMENT REPORT 2022 OF THE RAIFFEISENLANDESBANK OBERÖSTERREICH AKTIENGESELLSCHAFT GROUP

1. REPORT ON BUSINESS DEVELOPMENT AND THE ECONOMIC SITUATION

1.1. Economic background

Ukraine war slows down global economy

After the economic catch-up in 2021, recent data show a clear slowdown in momentum: industrial production, retail sales, car sales, business and consumer confidence have all been declining since spring 2022. At the same time, inputs and intermediates remain scarce, delivery times long and price pressures high. In many countries, real household incomes have been falling since Q4 2021, despite strong labour markets. Many countries therefore launched short-term support measures to ease the burden of high energy and food prices, especially for lower income groups. After the expensive coronavirus aid, this is now another, albeit not as massive, burden on public budgets.

The two main reasons why economic growth forecasts have been successively lowered so far in 2022 are the Ukraine war and the closure of major seaports due to China's zero-COVID strategy. In its June forecast, the OECD now only assumes global economic growth of 3% in 2022. Especially for Europe, which is suffering from the coal and oil embargo and trembling before a gas supply stop, the outlook until 2023 is subdued. Commodity and food price pressures, reflecting the global importance of Russia and Ukraine as suppliers, are fuelling inflation and eating into purchasing power, posing a major challenge for developed countries and even an existential problem for emerging and developing countries.

Price pressure requires monetary policy responses

The rising price of energy and raw materials is proving to be more persistent and extensive than originally thought and is being fuelled even more by the Ukraine war. In addition, shortages of various goods, the production of which is hampered by obstacles in international supply chains, or of their substitutes, are driving prices upward (e.g., new and used cars). In addition, although Russia and Ukraine as economies in themselves have subsidiary global significance, they play a globally important role in the supply of some selected raw materials (energy sources, fertilisers, agricultural products). Higher inflation (including the core inflation rate) is now manifesting itself on a broader basis in many countries, but the pressure from wages is still manageable for the most part, at least in Europe. The increased inflationary tendencies are putting central banks under pressure: The US Federal Reserve initiated the interest rate turnaround in March 2022 and is leading the path comparatively steeply and emphatically upwards. To this end, it began to reduce its large bond portfolio. The ECB followed suit at the end of July 2022 with a first rate hike of 50 basis points and held out the prospect of further increases in the coming months to ensure price stability in the longer term. According to its own forecast, the ECB sees inflation at 3.6% in 2023 and at 2.1% in 2024 – the former one significantly, the latter one still slightly above the 2% target.

Growth forecasts also cut for Austria

The rise in inflation triggered by the Ukraine war is dampening purchasing power and fuelling uncertainty, which is slowing demand momentum, so that the OeNB in its new economic forecast (June 2022) for Austria assumes a subdued economic development this year in the baseline scenario (assumption: end of the war in 2022, duration of sanctions until 2024, no more COVID lockdowns). The projected growth rate of 3.8% in 2022 is almost entirely explained by the high overhang from the previous year and the strong first quarter of 2022. GDP growth is also likely to remain below average in the following years 2023/24, at 1.9% each, due to a persistently uncertain situation.

Despite the lockdowns, private consumption grew very strongly in 2021. In the meantime, however, there is noticeable drag due to losses in confidence and purchasing power (net real wages are likely to fall by around 2.5 % this year). Nevertheless, private consumption in 2022 should once again increase strongly year-on-year (+3.9%), on the one hand due to comparative and catch-up effects of the lockdowns from the previous year, and on the other hand because households can still fall back on well-filled savings coffers from the pandemic and benefit from government relief packages. The latter (energy cost offsets, deferral of the CO_2 tax ...) put considerably less strain on the state budget than the expiry of the Corona relief measures, low unemployment, and high nominal growth are beneficial to it: by 2024, according to the current forecast, the government debt ratio could fall by just under 10 percentage points compared to 2021 and the budget deficit could remain within the Maastricht criteria in 2022 - 2024.

Low unemployment together with the high inflation rate should drive employee compensation, which is one reason why the OeNB expects the inflation rate to remain above the ECB's 2% target for longer, despite the strong base effects in energy expected in February/March 2023 (energy prices explain almost half of the inflation increase in the past twelve months). Forecasts for the development of core inflation have been further revised upwards due to stronger expected wage growth (2022: 4.1%, 2023: 4.4%, 2024: 3.3%).

1.2. Business development

On the basis of its sustainable and forward-looking strategy, Raiffeisenlandesbank Oberösterreich managed to continue its stable course in the first six months of 2022. The present half-year results show that Raiffeisenlandesbank Oberösterreich is able to closely accompany its customers in their financial affairs as a trustworthy and stable partner even in very challenging times. Massively increased inflation rates, high energy prices, supply bottlenecks for raw materials, and a shortage of skilled workers, which is clearly noticeable in more and more sectors, as well as low economic growth – all these factors must be overcome together with the customers.

The continued successful business performance of Raiffeisenlandesbank Oberösterreich is particularly visible in the financing volume (loans and advances to customers), which amounted to EUR 26.3 billion as at 30 June 2022, i.e. up 3.8% from the end of 2021. Deposits (amounts owed to customers), which amounted to EUR 12.7 billion at mid-year, remain at a high level. The good development of the operating business is reflected in part by the increases in net interest income (+7.1%, equating to EUR 14.2 million) and net fee and commission income (+9.7%, equating to EUR 9.7 million).

The fact that Raiffeisenlandesbank Oberösterreich is able to continue its stable course in terms of capitalisation despite the Ukraine war and its economic consequences is also welcome; the Tier 1 capital ratio (CET 1 ratio) in the banking group remains at a high 14.4%. In addition, the Raiffeisenlandesbank Oberösterreich Group also has a positive risk situation with an NPL ratio of 2.2%.

Raiffeisenlandesbank Oberösterreich's consolidated total assets at the end of June 2022 remains at a high EUR 50.2 billion (-2.4% compared to the end of 2021).

While the operating business has developed positively, it is above all the aforementioned effects of the war in Ukraine that have been reflected in the half-year financial statements, especially in the statistical risk provisions and impairments in the area of investments accounted for at equity, and have led to a negative result in the Raiffeisenlandesbank Oberösterreich Group. The largest individual effects are due to the valuation of the two investments in RBI and voestalpine.

For further details, please refer to the explanatory notes to the income statement in the present interim management report and the section “Equity-accounted companies” in the Notes.

The operating result is EUR -222.0 million, while the profit before tax for the period amounts to EUR -236.1 million. After taking into account taxes on income and earnings and other comprehensive income (OCI), the total result for the period in the first half of 2022 is EUR -263.4 million.

The Group enjoys a high level of trust not only from customers, but also on the international financial markets. Raiffeisenlandesbank Oberösterreich once again made a successful appearance on the international financial market in the first half of 2022: subscription orders were received for a new secured bond in the amount of EUR 500 million, especially from investors in Europe. The investment opportunity was used by banks, institutional investors, insurance companies, and funds. Interested parties came mainly from Austria, Germany, and the Nordic countries. The bond was 1.7 times oversubscribed. The proceeds of the bond will go towards planned financing growth and towards the redemption of existing bonds.

BTU (Business Travel Unlimited Reisebüro GmbH) took an important expansion step at the beginning of the year by agreeing to acquire the business travel segment of Verkehrsbüro: BTU, which is owned by Raiffeisenlandesbank Oberösterreich, took over the business travel segment of Verkehrsbüro. This transaction laid the foundation for BTU's sustainable growth course. This step is also a clear commitment to the Austrian market. In the coming years, all synergies are to be successfully leveraged and massive investments made in digitalisation in order to secure market leadership. The transaction includes the companies Verkehrsbüro Business Travel GmbH and AX Travel Management GmbH.

Raiffeisenlandesbank Oberösterreich also expanded its range of green investments in the first half of 2022: the fund management subsidiary KEPLER-FONDS Kapitalanlagegesellschaft, for example, launched a new product on the market with the KEPLER D-A-CH Plus equity fund. The investment focus is on sustainable quality companies from Germany, Austria, and Switzerland, complemented by neighbouring countries, e.g. Italy. The fund prefers companies that take ecological and social aspects into account. For areas such as arms, nuclear energy, or controversial labour or human rights are subject to clear exclusion criteria. The KEPLER investment process ensures that investments are only made in socially and ecologically responsible companies.

Regular repositioning in a constantly changing environment, a high degree of flexibility and openness to the further development of the strategy are, in addition to good operating results, the best prerequisites for surviving in the currently very volatile economic environment, but also for further expanding the strong market position of Raiffeisenlandesbank Oberösterreich.

Group structure

For the IFRS interim report as at 30 June 2022, the basis of consolidation of Raiffeisenlandesbank Oberösterreich covers 158 group companies, including Raiffeisenlandesbank Oberösterreich as Group parent (31 December 2021: 156), that are fully consolidated in the Group and ten (31 December 2021: ten) companies accounted for at equity. For details, please refer to the notes "Changes in the basis of consolidation and their effects".

Regulatory developments

Raiffeisenlandesbank Oberösterreich has been classified as a Significant Institution (SI) in accordance with the Single Supervisory Mechanism (SSM) and is thus subject to direct supervision by the European Central Bank (ECB).

Against this background, European legal developments in the area of banking supervisory law are particularly significant. The further development of the CRR (Capital Requirements Regulation) and the CRD (Capital Requirements Directive) at European level is currently being closely monitored, and the initial drafts published in October 2021, which will lead to new – and in some cases, extensive – changes ("CRR III", "CRD VI"), are the subject of in-depth internal analysis. From today's perspective, the EU legislator plans initial applicability as of January 2025.

Other significant standards that Raiffeisenlandesbank Oberösterreich has dealt with intensively so far in the first half of 2022 are in particular:

- the Credit Institutions Real Estate Financing Measures Regulation (KIM-V) and the associated amendment to the Regulation on the statement of assets, income and risk (VERA-V) – both ordinances have a direct or indirect influence on the lending standards of Raiffeisenlandesbank Oberösterreich and are highly relevant;
- the FMA (Financial Market Authority) Minimum Standards for Lending Business and Other Transactions with Counterparty Risks (FMA-MSK), as a result of which extensive changes in the bank's internal organisation – especially at smaller banks – are to be applied;
- and the draft FMA Minimum Standards for BWG Compliance (FMA-MS-BWG-Compliance), in which the FMA sets out its legal opinion on the BWG compliance organisation.

Due to the war in Ukraine, Raiffeisenlandesbank Oberösterreich was also intensively involved in implementing the relevant sanction standards. Ongoing reporting to the Managing Board and the Supervisory Board took place and continues to take place in this regard. Furthermore, workshops were held with the JST on 17 March and 20 April 2022, in which the implementation of the sanction standards was presented in detail.

Sustainable Finance

Based on the self-assessment and the action plan for the ECB Guideline on Climate and Environmental Risks, the so-called "thematic review" took place in the first half of 2022. Furthermore, the ECB initiated the supervisory stress test on climate risks in the first half of the year (Raiffeisenlandesbank Oberösterreich AG was among the banks addressed here). The test is intended to find out to what extent banks are prepared to deal with financial and economic shocks arising from climate risks.

In February 2022, the European Commission published its proposal for a directive on corporate sustainability due diligence.

In June of this year, political agreement was reached on the CSRD, and an in-depth discussion will take place with regard to the final version and the national implementation and delegated acts based on it. At the end of the first half of 2022, political agreement was reached on the treatment of nuclear energy and gas within the framework of the EU Taxonomy Regulation.

The preparation and implementation activities of the manifold disclosure requirements on the basis of the technical standards for Art. 449a CRR, Art. 8 Taxonomy and the delegated legal acts for the SFDR continue to require intensive engagement.

In summary, it can be said that sustainability law, which sees banks as the hub of the monetary system and therefore attributes to them an essential role on the path towards climate neutrality, has grown enormously in importance. Further regulatory requirements and challenges are to be expected here in the coming years.

Raiffeisenlandesbank Oberösterreich will prepare for the related implementation in the best possible way.

Business development in the segments

In the Raiffeisenlandesbank Oberösterreich Group, segment reporting distinguishes between the following five segments:

- Corporates
- Retail & Private Banking
- Financial Markets
- Equity Investments
- Corporate Center

For further details, please refer to the segment reporting in the Notes.

Corporates

The Corporates segment contributed EUR 83.7 million to profit before tax for the period in the first half of 2022 (H1 2021: EUR 99.2 million). The decline in earnings compared to the first half of the previous year can essentially be attributed to higher risk provisions, while net interest income changed positively.

Retail & Private Banking

The Retail & Private Banking segment generated an overall negative contribution to profit before tax for the period of EUR -1.9 million (H1 2021: EUR 9.2 million). Here, too, reference can be made to the increased expenditure for risk provisioning, among other things.

Financial Markets

The Financial Markets segment made a positive contribution to the profit before tax for the period amounting to EUR 50.0 million in the first half of 2022 (H1 2021: EUR 71.5 million). In addition to other effects, the decline results from a lower valuation result from financial instruments recognised at fair value in the first half of 2022.

Equity Investments

The Equity Investments segment is divided into four investment portfolios from an organisational perspective: "Banks & Financial Institutions", "Outsourcing & Banking-Related Investments", "Property" and "Opportunity & Partner Capital". Overall, the Equity investments segment achieved a negative profit before tax for the period of EUR -339.0 million in the first half of 2022 (H1 2021: EUR 144.2 million). This was mainly due to valuation effects at RBI and voestalpine AG. For further information, please refer to the income statement disclosures, and in particular to the presentations on companies accounted for using the equity method.

Corporate Center

The Corporate Center segment includes content for income and expenses which does not fit into any other segment. This segment showed a negative profit before tax of EUR -28.9 million in the first half of 2022 (H1 of 2021: EUR -26.4 million).

Income statement

	1 Jan. – 30 June 2022 IN EUR M	1 Jan. – 30 June 2021 IN EUR M	Change IN EUR M	IN %
Net interest income	215.0	200.8	14.2	7.1
Loan loss allowances	-37.7	5.0	-42.7	-853.6
Net interest income after loan loss allowances	177.4	205.8	-28.4	-13.8
Share of profit or loss of equity-accounted companies	-375.0	110.9	-485.9	-438.2
Net fee and commission income	**110.2**	**100.5**	**9.7**	**9.7**
Net income from trading operations	2.7	4.9	-2.2	-45.3
Net income from financial instruments carried at fair value	26.6	65.6	-39.0	-59.5
Net income from other financial instruments	-2.9	-0.5	-2.5	539.1
Other net financial income	**26.3**	**70.0**	**-43.7**	**-62.4**
General administrative expenses	-282.7	-268.4	-14.3	5.3
General administrative expenses OÖ Wohnbau	-18.2	-17.3	-0.9	5.0
General administrative expenses VIVATIS/efko	-183.9	-137.6	-46.3	33.6
Other net operating income	77.8	62.3	15.5	24.8
Other net operating income OÖ Wohnbau	26.8	25.7	1.1	4.2
Other net operating income VIVATIS/efko	205.3	145.8	59.5	40.8
Pre-tax profit for the period	**-236.1**	**297.7**	**-533.8**	**-179.3**
Taxes on income and earnings	-27.9	-42.7	14.8	-34.7
After-tax profit for the period	**-264.0**	**254.9**	**-518.9**	**-203.6**
Operating profit	**-222.0**	**227.6**	**-449.5**	**-197.6**

Net interest income amounted to EUR 215.0 million in the first half of 2022 (H1 2021: EUR 200.8 million) and thus 7.1% or EUR 14.2 million above the previous year's referential figure. This resulted mainly from the further growth of the loan portfolio and from interest rate advantages in connection with the participation in the ECB's long-term tender (TLTRO III). Besides interest income from loans and advances to customers and banks, as well as fixed income securities, this reflects income from shares and other variable-yield securities, designated and derivative financial instruments, and lease receivables, as well as from investments in affiliated companies, investments and other income related to interest. Interest expenses result from Amounts owed to customers or banks, securitised liabilities, subordinated capital and other interest-like expenses. For detailed itemisation, please refer to the section "Net interest income" in the Notes.

Risk provisions amounted to EUR -37.7 million in the first half of 2022. (H1 2021: EUR 5.0 million). The increase is mainly due to statistical risk provisions in accordance with IFRS 9. For details, please refer to the section "Measurement of expected credit losses" in the accounting policies as well as to the statement of risk provisions in the notes.

The net income from companies accounted for at equity is recorded at EUR -375.0 million (H1 2021: EUR 110.9 million). The value in the first half of 2022 is mainly attributable to the negative net result of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG in connection with the sharp decline in the stock market price and is estimated at EUR -228.5 million (H1 2021: EUR +32.2 million). The write-off of the investment in RBI in the amount of EUR -363.7 million also had a negative effect (H1 2021: EUR -12.6 million), while the pro rata current result of RBI in the amount of EUR 158.5 million (H1 2021: EUR 53.8 million) showed a significant increase. Please refer to the section "Share of profit or loss of equity-accounted investments" in the Notes for further details.

Net fee and commission income went up by EUR 9.7 million, or 9.7%, to EUR 110.2 million (H1 2021: EUR 100.5 million). The increase is mainly due to higher fee and commission income from lending and other service business. Please refer to the "Net fee and commission income" section in the Notes for details.

Other net financial income – consisting of the net income from trading operations, net income from financial instruments carried at fair value and net income from other financial instruments – amounted to EUR 26.3 million in the first half of 2022 (H1 2021: EUR 70.0 million). Net income from trading operations amounted to EUR 2.7 million in the first half (H1 2021: EUR 4.9 million). The result from financial instruments recognised at fair value in the amount of EUR 26.6 million (H1 of 2021: EUR 65.6 million) is mainly due to positive valuation effects from financial instruments recognised at fair value. These result on the one hand from rising interest rates and on the other hand from the positive amortisation of past valuation losses due to the maturing of the position. The result from other financial instruments in the first half of 2022 came to EUR -2.9 million (H1 2021: EUR -0.5 million).

Personnel expenses, material expenses and depreciation and amortisation are shown in the income statement item "General administrative expenses". In 2022, general administrative expenses at the "OÖ Wohnbau" companies remained virtually unchanged year on year at EUR -18.2 million (H1 2021: EUR -17.3 million). General administrative expenses of the companies in the food sector – consisting of the "VIVATIS Holding AG" Group and the "efko Frischfrucht und Delikatessen GmbH" Group – increased to EUR -183.9 million (H1 2021: EUR -137.6 million). The increase is mainly due to higher personnel and other operating expenses as well as administrative expenses in connection with companies consolidated for the first time at the end of 2021 (Wojnar Group). The other Group companies, including Raiffeisenlandesbank Oberösterreich, recorded an increase in said expenses of EUR -14.3 million to EUR -282.7 million (H1 2021: EUR -268.4 million).

Other net operating income largely consists of the gross profit (sales revenue less cost of sales) earned by non-bank Group companies. The "OÖ Wohnbau" companies generated other net operating income of EUR 26.8 million (H1 2021: EUR 25.7 million). At the companies in the food sector (VIVATIS/efko), other operating income rose slightly by EUR 59.5 million to EUR 205.3 million (H1 2021: EUR 145.8 million), which is mainly due to higher revenue as well as effects in connection with companies consolidated for the first time at year-end 2021 (Wojnar Group). The other group companies also saw an increase of EUR 15.5 million to EUR 77.8 million (H1 2021: EUR 62.3 million). Expenses of the Group's IFRS consolidated credit institutions for the stability fee in the amount of EUR -4.8 million are shown in other net operating income (H1 2021: EUR -4.1 million), as well as expenses for contributions to the resolution fund in accordance with BaSAG of EUR -25.7 million (H1 2021: EUR -24.4 million) and for the deposit guarantee scheme pursuant to ESAEG in the amount of EUR -7.3 million (H1 2021: EUR -7.2 million).

In total, pre-tax profit for the period amounted to EUR -236.1 million in the first half of 2022 (H1 2021: EUR 297.7 million). Taxes on income and earnings are stated at EUR -27.9 million (H1 2021: EUR -42.7 million). This amount includes regular taxes on income and earnings, as well as deferred taxes.

The net profit after tax for the period in the first half of 2022 comes to EUR -264.0 million (H1 2021: EUR 254.9 million).

Operating income – calculated from net interest income, the result of investments accounted for at equity, net fee and commission income, net income from trading operations and other net operating income – amounted to EUR 262.8 million (H1 2021: EUR 650.9 million). Operating expenses, which correspond to the general administrative expenses line item, came to EUR -484.8 million (H1 2021: EUR -423.3 million). The Group therefore generated an operating profit of EUR -222.0 million (H1 2021: EUR 227.6 million).

Statement of comprehensive income

IN EUR M	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
After-tax profit for the period	**-264.0**	**254.9**
Remeasurement gains/losses on OCI debt instruments (FVOCI)	-136.5	-37.4
Remeasurement gains/losses on own credit risk for financial liabilities accounted for at fair value	1.3	-11.7
Share of other comprehensive income of equity-accounted companies	89.1	23.7
Actuarial gains and losses	17.7	3.2
Additional other net profit/loss	-0.5	-1.4
Taxes recognised in respect of this amount	29.5	11.7
Total other comprehensive income (OCI)	**0.6**	**-11.9**
Total comprehensive income for the period	**-263.4**	**243.0**

The other results ("Other Comprehensive Income", OCI) in the first half of 2022 amounted to EUR 0.6 million (H1 2021: EUR -11.9 million).

The changes in the valuation of OCI debt instruments in the amount of EUR -136.5 million (H1 2021: EUR -37.4 million) result from a sharp rise in interest rates and a disclosure of valuation spreads for OCI debt instruments.

The other results from companies accounted for using the equity method are mainly due to positive foreign currency effects from the investment in Raiffeisen Bank International AG.

The remaining other result – consisting of remeasurement gains/losses associated with the hedge of a net investment in foreign operations and foreign exchange differences – amounted to EUR -0.5 million in the first half of 2022 (H1 2021: EUR -1.4 million).

Deferred taxes recognised in respect of other comprehensive income increased to EUR 29.5 million, mainly due to remeasurement gains/losses in connection with OCI debt instruments and own credit risk (H1 2021: EUR 11.7 million). Overall, this produced a total result for the period in the first half of 2022 of EUR -263.4 million (H1 2021: EUR 243.0 million).

Changes in the statement of financial position

As at 30 June 2022, the consolidated total assets of Raiffeisenlandesbank Oberösterreich had decreased by EUR -1,224 million or -2.4% to a value of EUR 50,222 million (31 December 2021: EUR 51,447 million).

Loans and advances to banks fell by EUR -613 million or -4.4 per cent to EUR 13,432 million compared to 31 December

Assets	30 June 2022 IN EUR M	30 June 2022 IN %	31 Dec. 2021 IN EUR M	31 Dec. 2021 IN %	Change IN EUR M	Change IN %
Loans and advances to banks	13,432	26.7	14,045	27.3	-613	-4.4
(of which to Raiffeisen banks)	(1,917)	(3.8)	(1,528)	(3.0)	(389)	(25.5)
Loans and advances to customers	26,258	52.3	25,295	49.2	963	3.8
Trading assets	1,468	2.9	1,800	3.5	-333	-18.5
Financial assets	4,864	9.7	5,486	10.7	-622	-11.3
Equity-accounted companies	1,974	3.9	2,274	4.4	-300	-13.2
Other assets	2,227	4.4	2,545	4.9	-319	-12.5
Total	**50,222**	**100.0**	**51,447**	**100.0**	**-1,224**	**-2.4**

2021 (31 December 2021: EUR 14,045 million). The decline is mainly due to a lower balance in the OeNB's deposit facility account. Liquid funds from the deposit facility were primarily used to finance customer loans. Of the total loans and advances to banks, EUR 1,917 million (31 December 2021: EUR 1,528 million) relates to refinancing to Upper Austrian Raiffeisen banks.

Loans and advances to customers rose by EUR 963 million or 3.8% to EUR 26,258 million (31 December 2021: EUR 25,295 million). This growth is based on the continuation of the qualitative growth strategy as well as on increased liquidity needs of customers in the current economic environment.

Trading assets – consisting of bonds and other fixed-income securities plus derivatives with positive market values – had a carrying amount of EUR 1,468 million as at 30 June 2022 (31 December 2021: EUR 1,800 million). This was a change of EUR -333 million, or -18.5%, and was due largely to changes in the fair value of derivative exposures.

Financial assets amounted to EUR 4,864 million, a decline of EUR -622 million, or -11.3%, as compared with the figure as at 31 December 2021 (31 December 2021: EUR 5,486 million), resulting mainly from disposals and valuations of securities in the first half of 2022.

The carrying amount of companies accounted for using the equity method reported was EUR 1,974 million as of 30 June 2022 (31 December 2021: EUR 2,274 million). Please refer to the section "Equity-accounted companies" in the Notes for details.

Other items – consisting of cash and cash equivalents, value adjustments from portfolio fair value hedge, intangible assets, property, plant and equipment, investment property, current and deferred tax assets, other assets and assets held for sale – decreased by EUR -319 million or -12.5% to EUR 2,227 million (31 December 2021: EUR 2,545 million).

Equity and liabilities	30 June 2022 IN EUR M	IN %	31 Dec. 2021 IN EUR M	IN %	Change IN EUR M	IN %
Amounts owed to banks	20,301	40.4	20,268	39.4	34	0.2
(of which to Raiffeisen banks)	(6,990)	(13.9)	(7,408)	(14.4)	(-418)	(-5.6)
Amounts owed to customers	12,726	25.3	13,501	26.2	-776	-5.7
Trading liabilities	1,392	2.8	1,444	2.8	-52	-3.6
Liabilities evidenced by certificates	8,879	17.7	8,944	17.4	-65	-0.7
Subordinated capital	946	1.9	1,084	2.1	-137	-12.7
Other assets	1,135	2.3	1,047	2.0	88	8.4
Equity	4,843	9.6	5,159	10.0	-316	-6.1
Total	**50,222**	**100.0**	**51,447**	**100.0**	**-1,224**	**-2.4**

Amounts owed to banks changed by EUR 34 million or 0.2% to EUR 20,301 million compared with 31 December 2021 (31 December 2021: EUR 20,268 million). Of the amounts owed to banks, EUR 6,990 million (31 December 2021: EUR 7,408 million) is owed to Upper Austrian Raiffeisen banks.

Amounts owed to customers decreased by EUR 776 million or -5.8% to EUR 12,726 million (31 December 2021: EUR 13,501 million). The decline is due to customers' increased access to liquidity reserves.

Trading liabilities – consisting of interest rate/foreign exchange/equity/index-related and other business – show as of 30 June 2022 a carrying amount of EUR 1,392 million (31 December 2021: EUR 1,444 million). This corresponds to a reduction of EUR 52 million or -3.6%, which is mainly due to changes in the market value of interest rate transactions.

Liabilities evidenced by certificates decreased by EUR 65 million or -0.7% to a carrying amount of EUR 8,879 million as at 30 June 2022 (31 December 2021: EUR 8,944 million) and were comprised as follows:

- bonds issued in the amount of EUR 5,389 million (31 December 2021: EUR 4,768 million).
- listed and unlisted mortgage/municipal bonds amounting to EUR 348 million (31 December 2021: EUR 442 million) and
- other securitised liabilities amounting to EUR 3,142 million (31 December 2021: EUR 3,907 million).

Of the securitised liabilities, EUR 3,680 million (31 December 2021: EUR 3,070 million) is attributable to covered bonds placed with investors. Subordinated capital was reported at a carrying amount of EUR 946 million as at 30 June 2022 (31 December 2021: EUR 1,084 million), i.e. EUR -137 million lower. Unsecured issues with denominations of less than EUR 2,000 (or the equivalent in foreign currency for issues in foreign currency) aimed at retail investors accounted for EUR 2,099 million (31 December 2021: EUR 2,498 million) of the total outstanding volume.

The remaining items – consisting of provisions, current and deferred tax liabilities and other liabilities – rose to EUR 1,135 million (31 December 2021: EUR 1,047 million).

As at 30 June 2022, equity capital is comprised as follows:

IN EUR M	30 June 2022	31 Dec. 2021
Share capital	277.6	277.6
Capital reserves	971.9	972.0
Retained earnings	3,382.2	3,702.6
Non-controlling interests	211.7	206.9
Total	**4,843.4**	**5,159.1**

For details, please refer to the statement of changes in equity and the “Equity” section in the Notes.

Regulatory own funds and solvency indicators

Consolidated capital and reserves at the level of a chief financial holding (CRR basis RBG OÖ Verbund eGen) as per capital requirements regulations (CRR) are as follows:

At the close of the first half of 2022, the Common Equity Tier 1 capital (CET 1) amounted to EUR 4,224.7 million (31 December 2021: EUR 4,594.6 million). The Tier 1 capital (T 1) is also reported at EUR 4,224.7 million (31 December 2021: EUR 4,594.6 million). The decline as at 30 June 2022 is mainly due to the inclusion of the negative result of the current financial year.

As at 30 June 2022, Tier 2 capital (T 2) was stated at EUR 413.7 million (31 December 2021: EUR 430.8 million). The decrease is due to the fact that new issues in the first half of 2022 were lower than the amortisation of Tier 2 capital instruments under Article 64 of the CRR.

Total Capital (TC) comprises Tier 1 capital and Tier 2 capital and amounted to EUR 4,638.4 million as at 30 June 2022 (31 December 2021: EUR 5,025.4 million).

Risk-weighted assets (RWAs) amounted to EUR 29,406.1 million as at 30 June 2022 (31 December 2021: EUR 28,748.0 million). The increase is mainly due to the business performance in the area of corporate and real estate financing.

At the close of the first half of 2022, in accordance with CRR, a Common Equity Tier 1 capital ratio of 14.4% (31 December 2021: 16.0%), a Tier 1 capital ratio of 14.4% (31 December 2021: 16.0%) and a Total capital ratio of 15.8% (31 December 2021: 17.5%) were recorded. The ratios are calculated on the total risk-weighted assets in accordance with Article 92 CRR.

Please refer to the notes on “Equity” in the Notes for details.

2. SIGNIFICANT RISKS AND UNCERTAINTIES

Raiffeisenlandesbank Oberösterreich Group's long-term success has largely been due to active risk management. In order to achieve this target, Raiffeisenlandesbank Oberösterreich, as the dominant group company, has implemented risk management with structures that facilitate the identification and measurement of all risks in the group in accordance with sections 39, 39a, Austrian Banking Act and the Regulation on Credit Institution Risk Management (KI-RMV) (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, operational risks and other risks) and their active managerial counteraction. ESG (Environment, Social, Governance) risks as a new dimension of risk are gradually being integrated into the existing risk categories, with the strongest focus currently on climate and environmental risk.

The risk strategy approved by the Managing Board of Raiffeisenlandesbank Oberösterreich ensures that the risks assumed by the Bank are consistent with the corporate strategy. The Managing Board and the Supervisory Board are kept regularly informed.

Please refer to the risk report in the Notes for more detailed information on all the financial risks in the Raiffeisenlandesbank Oberösterreich Group for 2022, the goals and methods of risk management, and information related to the Russia-Ukraine crisis and COVID-19.

Risks in connection with the Russia-Ukraine war

The war in Ukraine started by Russia is having a significant impact on the economic situation in the domestic markets of Raiffeisenlandesbank Oberösterreich.

The direct and immediate impact on Raiffeisenlandesbank Oberösterreich can still be classified as low, even after a detailed analysis. The assets with a direct (Ukraine) or indirect (Russia, Belarus) link to the countries affected by the war remain very manageable - in some cases, transactions linked to the war-affected regions have expired and been repaid.

Raiffeisenlandesbank Oberösterreich has a country risk of about EUR 2.1 million in relation to Russia, which consists mainly of correspondent banking positions. More than 90% of the country risk of around EUR 19.2 million reported for customers in Ukraine is covered by guarantees from the European parent companies, which continue to have strong credit ratings.

Despite the generally tense geopolitical situation, especially at the beginning of the Ukraine crisis, the Bank's supply of liquidity remained adequately guaranteed at all times.

Since EU Regulation 261/2022 came into force (end of February), extensive measures have been taken to ensure strict compliance with the sanctions, in close coordination with the supervisory authorities (ECB, OeNB). These measures include a thorough review of all transactions with a connection to Russia/Belarus as well as a daily review of the customer base and of new customers. There is only one business relationship with a sanctioned person that has been reported to the OeNB.

The secondary and tertiary effects must be assessed differently. Above all, the sanctions imposed by the EU have in some cases had a massive impact on the general economic environment and on our customers, as well as on individual participating interests in particular.

As far as indirect effects are concerned, it is primarily the sharp rise in prices for energy and raw materials that cause problems for Raiffeisenlandesbank Oberösterreich's customers. Answering questions regarding the dependence on this price development or the possibility of passing it on to the customers is now for instance part of the standard analysis for credit applications. If necessary, sensitivity or scenario analyses are also prepared or requested for customer planning purposes.

Even if many companies have for instance hedged energy prices and quantities or the prices and sometimes also the quantities of essential raw materials, the question remains whether these are ultimately also available. And even if price escalation clauses have been agreed with buyers, the question remains whether there is any point at which demand may fall dramatically due to strong inflation.

In addition, there are still the influences of the coronavirus pandemic on the supply chains in particular - triggered, among other things, by the shipping backlog off the coast of Shanghai - which also need to be monitored.

As a bank, we are involved in constant discussions with the companies in order to be able to respond to problems in time and, if necessary, to hand customers over to intensive or problem support teams. However, the number of companies experiencing serious economic problems is still limited at present.

Nevertheless, the portfolio models show an increased tendency to default, mainly due to the high rise in inflation. In retrospect, it turned out to be correct for Raiffeisenlandesbank Oberösterreich to put the brakes on the reduction of portfolio provisions calculated on the basis of the models at the end of the year by means of a “management overlay”, as the opposite has now occurred, namely an increase in portfolio provisions - mainly driven by inflation - is indicated and has also already taken place. In contrast, the previous coronavirus-induced interventions in the model were terminated, as the influences of the pandemic are already reflected accordingly in the ratings by clients and intervention in the models is no longer necessary for this reason.

Therefore while IFRS 9 portfolio provisions will rise significantly again in the first half of 2022, individual defaults by companies and private individuals are still manageable at present. Individual provisions that had to be formed at the end of the first half of the year are currently still being partially compensated for by reversing earlier provisions.

In the securities portfolio, which is mainly held for liquidity reasons, the rise in interest rates in the first half of 2022 led to valuation losses and higher risk utilisation in the market risk. On the other hand, items on the liabilities side, such as own issues and term deposits, benefited from the higher interest rate level on the valuation side and had a dampening effect on the market risk development.

As far as Raiffeisenlandesbank Oberösterreich's investment portfolio is concerned, only a few companies are directly affected by the war.

In this context, the strongest impact can be seen in the participation in Raiffeisen Bank International (RBI), as it has subsidiary banks in the regions affected by the war or the sanctions (Russia, Ukraine, Belarus). Raiffeisenlandesbank Oberösterreich is therefore in contact with its colleagues at RBI on an almost daily basis in order to be able to continuously assess the effects on the central institution on the one hand and the holding in RBI on the other.

The expert assessment on the value of RBI, which was updated in the middle of the year, is based on two scenarios: a “rapid end to the war” and a “prolonged crisis”, and arrives at a scenario-weighted value of EUR 22.44 per share, which means an effect of EUR -205.2 million in net profit for the period and EUR -117.9 million in capital for the interim financial statements of Raiffeisenlandesbank Oberösterreich.

On the other hand, the deposit guarantee case of Sberbank Europe AG performed positively, as the sale of the assets resulted in the full reimbursement of the guarantee originally provided by Raiffeisenlandesbank Oberösterreich within the framework of the deposit guarantee.

3. OUTLOOK

Forward-looking statements on business performance in this outlook are made on the assumption that the supply of gas can be guaranteed in Austria and the rest of Europe in 2022. Furthermore, due to the highly volatile global situation at the present time, a further intensification of economic, political, regulatory or health risks cannot be ruled out.

Subject to an unexpected deterioration of the aforementioned risk factors, Raiffeisenlandesbank Oberösterreich AG and the other Group companies also expect stable operating business performance in the second half of 2022 from the current perspective. The valuation effects in the areas of loan loss allowances and of companies accounted for using the equity method, which already had a very high impact on earnings in the first half of the year, are also considered to be uncertainty factors with regard to earnings expectations for 2022 as a whole.

The developments in the war between Russia and Ukraine have a significant impact on economic activity in the domestic markets of Raiffeisenlandesbank Oberösterreich, however, the direct and immediate impact on Raiffeisenlandesbank Oberösterreich can still be classified as low, including after a detailed analysis. Please refer to the section “Risks in connection with the Russia-Ukraine war” for details on the risks arising from the war in Ukraine.

The sharp rise in inflation in the eurozone since the beginning of the year has prompted the European Central Bank to implement countermeasures. In July 2022, the ECB raised the key interest rate for the first time in eleven years, and a further interest rate increase is expected in September. A general increase in interest rates means higher returns on savings deposits for customers on the one hand, but at the same time it can be assumed that increased lending rates and lower consumer demand will slow down the investment plans of companies.

The results of the ECB climate risk stress test carried out this year underline the goals and fields of action that Raiffeisenlandesbank Oberösterreich is already addressing extensively in terms of sustainability. Intensive work is taking place currently on a suitable data infrastructure and on models for measuring the risk of increasing prices of CO_2 and extreme weather events, both for regulatory requirements and for internal risk management. The specific fields of action for the future arise therefore from the integration of these risks in the management, in the internal risk systems and for the fulfilment of the new regulatory reports and disclosure obligations.

The development of new digital services plays a central role in our positioning as a modern consulting bank. Raiffeisenlandesbank Oberösterreich is responding to the increasing digitisation of the banking business with intelligent and user-friendly solutions that are optimally tailored to different customer wishes and needs. This is not the first time that we made a strong emphasis on the development and sale of digital banking services. However, new business areas will also be developed outside the traditional banking business in future. Intensive work is taking place currently for instance on the development of beyond-banking solutions that will make Raiffeisen Oberösterreich's strong network available to customers in the form of a digital ecosystem.

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2022 OF RAIFFEISENLANDESBANK OBERÖSTERREICH AKTIENGESELLSCHAFT

INCOME STATEMENT

IN EUR '000	Note(s)	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Interest and interest-related income	(1)	501,279	475,357
Interest income using the effective interest method		313,996	279,610
Other interest income, similar income and current income		187,283	195,747
Interest and interest-related expenses	(1)	-286,253	-274,566
Net interest income	**(1)**	**215,026**	**200,791**
Loan loss allowances	(2)	-37,678	5,001
Net interest income after loan loss allowances		**177,348**	**205,792**
Share of profit or loss of equity-accounted companies	(3)	-375,003	110,869
Fee and commission income	(4)	138,346	127,638
Fee and commission expenses	(4)	-28,180	-27,184
Net fee and commission income	**(4)**	**110,165**	**100,454**
Net income from trading operations	(5)	2,702	4,935
Net income from financial instruments carried at fair value	(6)	26,547	65,565
Net income from other financial instruments	(7)	-2,939	-462
Other net financial income		**26,310**	**70,038**
General administrative expenses	(8)	-484,783	-423,268
Revenue and miscellaneous other operating income	(9)	682,740	540,790
Cost of sales and miscellaneous other expenses	(9)	-372,852	-307,008
Other net operating income	**(9)**	**309,887**	**233,782**
Pre-tax profit for the period		**-236,075**	**297,667**
Taxes on income and earnings	(10)	-27,914	-42,740
After-tax profit for the period		**-263,989**	**254,927**
of which attributable to equity holders of the parent company		-275,011	244,104
of which attributable to non-controlling interests		11,021	10,823

STATEMENT OF COMPREHENSIVE INCOME

IN EUR '000	Note(s)	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
After-tax profit for the period		**-263,989**	**254,927**
Items that cannot be reclassified to profit or loss		**6,227**	**2,614**
Actuarial gains and losses on defined benefit plans	(30)	12,939	2,428
Amounts recognised in equity		17,648	3,240
Taxes recognised in respect of this amount		-4,709	-812
Share of other comprehensive income of equity-accounted companies	(18), (30)	-7,797	8,990
Amounts recognised in equity		-7,797	8,990
Taxes recognised in respect of this amount		0	0
Remeasurements due to change in own credit risk in respect of financial liabilities designated at fair value	(30)	1,085	-8,804
Amounts recognised in equity		1,331	-11,738
Taxes recognised in respect of this amount		-245	2,935
Items that can be reclassified to profit or loss		**-5,594**	**-14,552**
Remeasurement gains/losses of financial assets at fair value through other comprehensive income (FVOCI)	(30)	-101,954	-28,055
Amounts recognised in equity		-132,822	-36,721
Amounts reclassified to profit or loss		-3,641	-686
Taxes recognised in respect of this amount		34,509	9,352
Gain or loss from the hedging of net investments	(30)	-186	-774
Amounts recognised in equity		-177	-1,033
Amounts reclassified to profit or loss		0	0
Taxes recognised in respect of this amount		-8	258
Currency differences	(30)	-365	-394
Amounts recognised in equity		-365	-394
Amounts reclassified to profit or loss		0	0
Taxes recognised in respect of this amount		0	0
Share of other comprehensive income of equity-accounted companies	(18), (30)	96,911	14,671
Amounts recognised in equity		96,911	14,671
Amounts reclassified to profit or loss		0	0
Taxes recognised in respect of this amount		0	0
Total other comprehensive income		**634**	**-11,938**
Total comprehensive income for the period		**-263,355**	**242,988**
of which attributable to equity holders of the parent company		-272,641	231,752
of which attributable to non-controlling interests		9,286	11,236

STATEMENT OF FINANCIAL POSITION

ASSETS

IN EUR '000	Note(s)	30 June 2022	31 Dec. 2021
Cash and cash equivalents	(11), (12)	124,496	130,188
Loans and advances to banks	(11), (13), (15)	13,431,999	14,045,370
Loans and advances to customers	(11), (14), (15)	26,258,082	25,295,138
Value adjustments from portfolio fair value hedges	(11)	-390,202	-48,875
Trading assets	(11), (16)	1,467,738	1,800,437
Financial assets	(11), (17)	4,863,701	5,485,756
Equity-accounted companies	(18)	1,974,054	2,274,458
Intangible assets	(19)	148,485	145,677
Property, plant and equipment	(20)	615,314	621,376
Investment property	(20)	787,767	780,507
Current tax assets	(10)	6,492	8,634
Deferred tax assets	(10)	41,398	41,212
Other assets	(21)	888,183	783,127
Assets held for sale	(11), (22)	4,670	83,607
Total		**50,222,177**	**51,446,613**

EQUITY AND LIABILITIES

IN EUR '000	Note(s)	30 June 2022	31 Dec. 2021
Amounts owed to banks	(11), (23)	20,301,258	20,267,675
Amounts owed to customers	(11), (24)	12,725,692	13,501,379
Value adjustments from portfolio fair value hedges	(11)	0	0
Trading liabilities	(11), (25)	1,392,041	1,443,914
Liabilities evidenced by certificates	(11), (26)	8,878,698	8,943,594
Provisions	(15), (27)	277,036	299,606
Current tax liabilities	(10)	29,975	27,135
Deferred tax liabilities	(10)	42,452	50,989
Other liabilities	(28)	785,331	669,563
Liabilities in conjunction with assets held for sale	(22)	0	0
Subordinated capital	(11), (29)	946,288	1,083,646
Equity	(30)	4,843,407	5,159,113
of which attributable to equity holders of the parent company		4,631,704	4,952,243
of which attributable to non-controlling interests		211,703	206,870
Total		**50,222,177**	**51,446,613**

STATEMENT OF CHANGES IN EQUITY

IN EUR '000	Share capital	Capital reserves	Retained earnings	Sub-total	Non-controlling interests	Total
Equity 1 Jan. 2022	**277,630**	**971,973**	**3,702,639**	**4,952,242**	**206,870**	**5,159,113**
Total comprehensive income for the period	0	0	-272,641	-272,641	9,286	-263,355
of which after-tax profit for the period	0	0	-275,011	-275,011	11,021	-263,989
of which total other comprehensive income	0	0	2,370	2,370	-1,736	634
Dividends	0	0	-47,000	-47,000	-4,452	-51,452
Change in basis of consolidation	0	0	0	0	0	0
Shareholding changes, restructuring	0	0	0	0	0	0
Capital increases	0	0	0	0	0	0
Other changes in capital	0	-60	-838	-898	-1	-900
Equity 30 June 2022	**277,630**	**971,913**	**3,382,160**	**4,631,703**	**211,703**	**4,843,407**

IN EUR '000	Share capital	Capital reserves	Retained earnings	Sub-total	Non-controlling interests	Total
Equity 1 Jan. 2021	**277,630**	**971,973**	**3,340,908**	**4,590,511**	**175,561**	**4,766,072**
Total comprehensive income for the period	0	0	231,753	231,753	11,236	242,989
of which after-tax profit for the period	0	0	244,104	244,104	10,823	254,927
of which total other comprehensive income	0	0	-12,351	-12,351	413	-11,938
Dividends	0	0	-45,000	-45,000	-1,707	-46,707
Change in basis of consolidation	0	0	0	0	-32	-32
Shareholding changes, restructuring	0	0	0	0	0	0
Capital increases	0	0	0	0	41	41
Other changes in capital	0	0	1,255	1,255	6	1,261
Equity 30 June 2021	**277,630**	**971,973**	**3,528,915**	**4,778,518**	**185,105**	**4,963,623**

Further details on equity components can be found in the notes concerning “equity”.

CASH FLOW STATEMENT

IN EUR '000	Notes	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
After-tax profit for the period		**-263,989**	**254,927**
Non-cash items contained in the profit for the period and reconciliation to the cash flow from operating activities		269,690	-276,490
Change in assets and liabilities from operating activities after adjusting for non-cash items		-311,550	-190,007
Dividends received		33,898	24,812
Interest received		577,257	516,477
Interest paid		-394,505	-331,819
Taxes paid on income		-9,259	-21,755
Cash flow from operating activities		**-98,458**	**-23,855**
Cash proceeds from the sale of:			
Financial assets and shares in companies		576,565	379,762
Property, plant and equipment, intangible assets and investment property		61,927	40,043
Payments to acquire:			
Financial assets and shares in companies		-322,745	-340,452
Property, plant and equipment, intangible assets and investment property		-97,649	-92,480
Acquisition of subsidiaries (net of acquired cash and cash equivalents)		-7,685	0
Disposal of subsidiaries (net of sold cash and cash equivalents)		0	926
Cash flow from investing activities		**210,413**	**-12,201**
Issue of subordinated capital	(30)	9,553	80,609
Repayment/repurchase of subordinated capital	(30)	-75,748	-550
Purchase of non-controlling interests		0	41
Dividends		-51,452	-46,707
Cash flow from financing activities		**-117,647**	**33,393**
Cash at the end of the previous period		**130,188**	**145,913**
Cash flow from operating activities		-98,458	-23,855
Cash flow from investing activities		210,413	-12,201
Cash flow from financing activities		-117,647	33,393
Cash and cash equivalents at the end of the period		**124,496**	**143,250**

Cash and cash equivalents comprise cash in hand and balances at central banks repayable at any time.

NOTES

BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

Principles

The consolidated financial statements of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft are prepared in compliance with the applicable International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) and international accounting and financial reporting standards based on the IAS Regulation (EC) 1606/2002 as adopted by the EU (Section. 245a (1) Austrian Commercial Code). These condensed interim financial statements as at 30 June 2022 are in accordance with IAS 34.

The same accounting and valuation principles and consolidation methods were applied for the interim reporting as for the preparation of the consolidated financial statements as at 31 December 2021.

The consolidated interim financial statements as at 30 June 2022 have not been subjected to a complete audit, nor have they been inspected by a statutory auditor.

Unless noted otherwise, the figures in these financial statements are stated in thousands of euros. Minor discrepancies may arise in calculations because of rounding in the individual items in the financial statements.

First-time adoption of new and revised standards and interpretations

The following new or amended standards and interpretations must be taken into account for the first time in preparing IFRS financial statements relating to an annual reporting period for a financial year starting on or after 1 January 2022.

The accounting and valuation methods applied are, with the exception of the amendments and changes listed here, the same as those of the previous financial year.

Standard/Interpretation	To be applied in financial years from	Already adopted by the EU
Amendments to IFRS 3, IAS 16 and IAS 37	1 Jan. 2022	Yes
Annual improvements (2018–2020)	1 Jan. 2022	Yes

Amendments to IFRS 3, IAS 16 and IAS 37

The IASB published amendments to IFRS 3, IAS 16 and IAS 37 in May 2020.

In the amendments to IFRS 3 “Business Combinations”, a cross-reference was updated; this now refers to the revised 2018 conceptual framework.

The amendments to IAS 16 “Property, Plant and Equipment” relate to revenue before intended use. They state that in future no deduction from the acquisition or production costs will be permitted any longer for income earned during the period in which the asset is brought into the condition intended for its use. The revenue from such sales and the costs of producing such items must be included in future in the operating profit.

The amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” relate to onerous contracts and specifically to the costs of fulfilling a contract. It goes into more detail on the definition of settlement costs and specifies which costs are taken into account when assessing whether a contract will be loss-making.

The published changes have been applicable since 1 January 2022. These adjustments are not expected to have any material impact on the consolidated financial statements of Raiffeisenlandesbank Oberösterreich.

Annual improvements (2018 – 2020)

The changes published in May 2019 as part of the IASB's “Annual Improvements Project” envisage changes being implemented in various standards.

The amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” provide relief for subsidiaries that apply IFRS standards for the first time. This concerns regulations for the valuation of accumulated foreign currency differences of the subsidiaries.

The amendments to IFRS 9 “Financial Instruments” specify the extent to which fees and charges to be taken into account when assessing whether a financial liability should be derecognised.

The amendments to IAS 41 “Agriculture” align the provisions with regard to fair value measurement in IAS 41 with the regulations in the other standards.

In order to reduce potential ambiguities in the accounting treatment of leasing incentives, an explanatory application example for IFRS 16 “Leases” was adapted.

The amendments to IFRS 1, IFRS 9, IAS 41 and IAS 16 come into force for financial years beginning on or after 1 January 2022. These changes are not expected to have any material impact on the consolidated financial statements of Raiffeisenlandesbank Oberösterreich.

Standards and interpretations that are not yet mandatory

The following new or amended standards and interpretations were already published as at 30 June 2022. However, they were not yet in force for the financial year beginning 1 January 2022 and have therefore not been applied in these consolidated interim financial statements:

Standard/Interpretation	To be applied in financial years from	Already adopted by the EU
IFRS 17 – Insurance contracts	1 Jan. 2023	Yes
Amendments to IAS 8 – Definition of accounting estimates	1 Jan. 2023	Yes
Amendments to IAS 1 – Disclosure of Accounting Policies	1 Jan. 2023	Yes
Amendments to IAS 1 – Classification of liabilities by maturity	1 Jan. 2023	No
Amendments to IAS 12 – Deferred taxes relating to assets and liabilities arising from a single transaction	1 Jan. 2023	No
Amendments to IFRS 17 – First-time adoption of IFRS 17 and IFRS 9 – Comparative information	1 Jan. 2023	No

Changes in the basis of consolidation and their effects

The number of fully consolidated companies accounted for using the equity method developed during the financial year as follows:

	Fully consolidated		Equity method	
	2022	2021	2022	2021
As at 1 Jan.	156	147	10	10
Included for the first time during the reporting period	3	0	0	0
of which additions due to newly established company	1	0	0	0
of which additions from business acquisitions	1	0	0	0
of which additions due to change in the consolidation method	1	0	0	0
Merged during the reporting period	1	1	0	0
Deconsolidated during the reporting period	0	2	0	0
thereof disposals due to divestiture	0	2	0	0
thereof disposals due to liquidation	0	0	0	0
thereof disposals due to change in accounting consolidation method	0	0	0	0
As at 30 June	158	144	10	10

For the IFRS interim consolidated financial statements as at 30 June 2022, the basis of consolidation of Raiffeisenlandesbank Oberösterreich covers 158 group companies, incl. Raiffeisenlandesbank Oberösterreich as Group parent (31 December 2021: 156), that are fully consolidated in the Group and ten (31 December 2021: ten) companies reported under the equity method.

In the first half of 2022, 100% of the shares in Verkehrsbüro Business Travel GmbH (VBT below) and AX Travel Management GmbH (AX Travel below) were acquired. Due to the acquisition of VBT and AX Travel, the previously immaterial subsidiary BTU Business Travel Unlimited Reisebürogesellschaft mit beschränkter Haftung (BTU below) was included as purchaser in the basis of consolidation of Raiffeisenlandesbank Oberösterreich for the first time as of 1 January 2022. At the time of their initial consolidation, the assets and liabilities of BTU amounted to a total of EUR 6,546 thousand and EUR 3,943 thousand.

With the acquisition of VBT and AX Travel, BTU has become the market leader in the business travel sector in Austria. The companies have an attractive customer portfolio of Austrian small and medium-sized enterprises as well as corporate groups.

VBT was included in the basis of consolidation of Raiffeisenlandesbank Oberösterreich for the first time as of 30 June 2022 and has not yet therefore contributed to sales revenues or consolidated earnings before taxes in the first half of the year. If the acquisition had already taken place on 1 January 2022, VBT's revenues would have increased the Group's other operating income by approximately EUR 1,753 thousand and reduced the consolidated profit before tax by EUR -1,109 thousand. From the perspective of the Raiffeisenlandesbank Oberösterreich Group, AX Travel is considered an immaterial subsidiary and is therefore reported as a shareholding in BTU as at 30 June 2022.

The amount of the consideration already transferred for the acquisition of VBT is EUR 7,689 thousand. In addition, EUR 984 thousand were recognised as liabilities for the acquisition of VBT as at 30 June 2022. The amount of the value that has not yet been paid may still change if necessary.

Consultancy costs of EUR -67 thousand were incurred in the course of the company acquisition. These are recognised in the current consolidated income statement under general administrative expenses. The related liabilities have already been paid in full.

The assets acquired and liabilities assumed as at the point of acquisition are as follows:

IN EUR '000	30 June 2022
Cash and cash equivalents	3
Loans and advances to banks	1,776
Loans and advances to customers	2,054
Financial assets	36
Intangible assets	2,339
Property, plant and equipment	1
Other assets	6,155
Provisions	1,412
Tax liabilities	66
Other liabilities	5,952
Fair value of the identifiable net assets	4,934

The gross amounts of the acquired receivables amount to EUR 1,776 thousand for loans and advances to banks, EUR 2,054 thousand for loans and advances to customers and EUR 1,600 thousand for receivables included in other assets.

With the acquisition of VBT and AX Travel, BTU is strengthening its positioning and becoming the market leader in the Austrian business travel market. The expansion of the brand portfolio is aimed at additionally increasing might in the Austrian market. In addition, a reduction in revenue risk and significant synergy potential in the area of overhead costs are expected in the medium term due to complementary customer structures.

The goodwill has been recognised as follows:

IN EUR '000	30 June 2022
Consideration transferred	8,673
Fair value of the identifiable net assets	4,934
Goodwill	**3,739**

In addition to the initial consolidation of VBT and BTU, H26 GmbH & Co KG was newly founded in the first half of 2022 and included in the basis of consolidation for the first time. The merger of Raiffeisen-IMPULS-Mobilienleasing GmbH with Raiffeisen-IMPULS-Kfz und Mobilien GmbH led to a further change in the basis of consolidation without resulting in a change to the assets and liabilities.

Outlook in connection with planned changes in the scope of consolidation in the second half of 2022

Raiffeisenlandesbank Oberösterreich and Raiffeisen-Landesbank Steiermark AG have examined the options intensively for strategic cooperation in the area of data centre IT in recent months and intend to work together even more closely in this area in the future. Structurally, the plan is to merge Raiffeisen Informatik Center Steiermark GmbH with the newly founded Rechenzentrum GmbH after the completion of preparatory actions that are still to be implemented. The aim is to create a joint full-service IT provider for banks, which will make use of the existing human and technical resources for the benefit of customers and employees. In the course of this restructuring, the newly founded Rechenzentrum GmbH is to be included in the basis of consolidation of Raiffeisenlandesbank Oberösterreich for the first time in the second half of 2022, with both assets and liabilities as well as the ongoing operations of Raiffeisen Informatik Center Steiermark GmbH and GRZ IT Center GmbH - which are already included currently in the basis of consolidation - to be combined in this in the future.

Foreign currency translation

The consolidated interim financial statements are presented in euros, reflecting the national currency. Financial statements of fully consolidated companies whose functional currency differs from the group currency are translated into euros employing the modified period-end exchange rate method in accordance with IAS 21. Generally, the national currency is the same as the functional currency.

When the modified period-end exchange rate method is applied, equity is translated at historical rates while all other assets and equity and liabilities are translated using the relevant closing rates (middle rates of the European Central Bank (ECB) as at the reporting date for the consolidated statement of financial position). The items on the income statement are translated using the average currency exchange rates of the ECB. Currency differences resulting from the translation of the equity components using historical rates and the translation of the income statement using average rates compared to the translation using rates prevailing on the reporting date are recognised in the statement of comprehensive income with no effect on the income statement.

The following exchange rates were used in the consolidation for currency translation:

	2022		2021	
Rates in currency per euro	**Closing rate 30 June**	**Average rate 1 Jan. – 30 June**	**Closing rate 30 June**	**Average rate 1 Jan. – 30 June**
Croatian kuna (HRK)	7.5307	7.5461	7.4913	7.5450
Polish zloty (PLN)	4.6904	4.6388	4.5201	4.5470
Romanian leu (RON)	4.9464	4.9466	4.9280	4.9024
Czech koruna (CZK)	24.7390	24.6657	25.4880	25.9179
Hungarian forint (HUF)	397.0400	376.8314	351.6800	358.0186

ACCOUNTING AND VALUATION METHODS

The same accounting and valuation principles were applied for the interim reporting as at 30 June 2022 as for the compilation of the consolidated financial statements as at 31 December 2021. There were also no material amendments to the accounting standards in the first half of 2022 (see section "First-time adoption of new and revised standards and interpretations"). Please refer to the following sections with regard to the application of valuation methods in connection with the current risk situation in the first half of 2022.

Valuation methods in connection with the current risk situation

Application of the accounting and valuation methods in the interim consolidated financial statements as at 30 June 2022 of Raiffeisenlandesbank Oberösterreich gave rise to challenges in connection with adequate consideration of the ongoing COVID-19 crisis and Russia's war of aggression in Ukraine. The effects include global supply chain problems, high inflation due to increased energy prices, interest rate hikes and fears of recession. This risk situation was reflected in particular in the following areas of application for management judgement and estimates.

Company valuations

Company valuations are required both in order to determine the fair value of investments or investment instruments measured at fair value as well as for impairment tests for investments accounted for using the equity method and goodwill.

As at 31 December 2021, the ongoing COVID-19 crisis is resulting in increased uncertainty. In addition, the effects from Russia's war of aggression in Ukraine were mapped appropriately and the impact on the planning calculations was examined. The effects were analysed for each company and were taken into account in the cash flows on which the valuation is based insofar as they had a direct influence on the company's planning. The companies are subject to ongoing monitoring in order to identify and map risks in a timely manner. In addition, the influences on interest rates in the current prevailing market environment are taken into account in the company valuation. Double consideration of uncertainties which were already taken into account in the cash flow was excluded in the interest rates.

Valuation of expected credit losses

The basic impairment methodology is described in more detail in the section "Impairment according to IFRS 9" in the consolidated financial statements as at 31 December 2021, which also lists the most important features of the expected credit loss calculation. No changes were made to the basic methodology in the first half of 2022. Some important management judgements are required for measuring the expected credit loss, such e.g.

- Defining criteria for a significant increase in the credit risk,
- Selecting suitable models and assumptions,
- Defining the number and relative weighting of future-oriented scenarios, and
- Defining groups of similar financial assets.

The following table shows the most important quarterly macroeconomic realisations and forecasts for Corporates:

Gross domestic product* **Quarter**	**baseline**	**optimistic**	**pessimistic**
Q2 2021	3.50%	3.50%	3.50%
Q3 2021	3.30%	3.30%	3.30%
Q4 2021	-1.50%	-1.50%	-1.50%
Q1 2022	1.50%	1.50%	1.50%
Q2 2022	0.00%	0.52%	-0.52%
Q3 2022	0.10%	0.63%	-0.43%
Q4 2022	0.30%	0.92%	-0.32%
Q1 2023	0.80%	1.48%	0.12%
Q2 2023	0.60%	1.33%	-0.13%
Q3 2023	0.60%	1.28%	-0.08%
Q4 2023	0.60%	1.26%	-0.06%
Q1 2024	0.40%	1.09%	-0.29%
Q2 2024	0.40%	1.12%	-0.32%
Q3 2024	0.40%	1.17%	-0.37%

*Change in gross domestic product on previous quarter in %, in real terms on basis of previous year's prices – reference year 2015, seasonally adjusted (sources: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

Consumer Price Index* Quarter	baseline	optimistic	pessimistic
Q2 2021	2.80%	2.80%	2.80%
Q3 2021	3.30%	3.30%	3.30%
Q4 2021	3.80%	3.80%	3.80%
Q1 2022	6.60%	6.60%	6.60%
Q2 2022	7.80%	6.29%	9.31%
Q3 2022	8.00%	6.79%	9.21%
Q4 2022	6.80%	5.70%	7.90%
Q1 2023	5.30%	4.33%	6.27%
Q2 2023	3.80%	2.79%	4.81%
Q3 2023	3.80%	2.81%	4.79%
Q4 2023	4.10%	2.96%	5.24%
Q1 2024	3.80%	2.62%	4.98%
Q2 2024	2.90%	1.71%	4.09%
Q3 2024	2.70%	1.40%	4.00%

*Harmonised index of consumer prices; change on previous year in %
(source: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

Unemployment rate Quarter	Basis for baseline*	baseline**	optimistic**	pessimistic**
Q2 2021	6.67%	20.46%	20.46%	20.46%
Q3 2021	5.73%	3.55%	3.55%	3.55%
Q4 2021	5.27%	-5.54%	-5.54%	-5.54%
Q1 2022	4.60%	-20.85%	-20.85%	-20.85%
Q2 2022	4.50%	-39.30%	-53.11%	-25.50%
Q3 2022	4.50%	-24.22%	-36.27%	-12.17%
Q4 2022	4.40%	-17.98%	-29.87%	-6.09%
Q1 2023	4.40%	-4.45%	-15.86%	6.97%
Q2 2023	4.40%	-2.25%	-15.85%	11.35%
Q3 2023	4.30%	-4.55%	-19.92%	10.83%
Q4 2023	4.30%	-2.30%	-18.93%	14.33%
Q1 2024	4.30%	-2.30%	-17.99%	13.39%
Q2 2024	4.30%	-2.30%	-17.26%	12.67%
Q3 2024	4.30%	-2.30%	-17.13%	12.53%

* Unemployment rate according to Eurostat in %, starting point for baseline scenario of logarithmic rate of change
(source: OeNB)

** Logarithmic rate of change of the unemployment rate on previous year's quarter according to Eurostat, seasonally adjusted in %
(source: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

The macroeconomic baseline forecasts shown in the table above (or their basis before further transformation) were taken from the OeNB's website and published on 10 June 2022. Based on the historical development of these time series, Raiffeisenlandesbank Oberösterreich uses macroeconomic models to determine a pessimistic and optimistic scenario for the respective macroeconomic variable. The corresponding IFRS 9 risk parameters (PD and LGD) are then calculated for each scenario and weighted with 60-20-20 proportions for baseline, optimistic and pessimistic. We then use the weighted risk parameters for staging and for determining the expected credit loss.

In order to better estimate the change in parameters and their impact on the expected credit loss, sensitivity analyses were calculated that include the indirect change in loan loss allowances due to macroeconomic shifts (+/-1% GDP growth rate, +/-5% real estate price fluctuation). Further details and results of this analysis can be found in the Disclosures on the statement of financial position in the chapter "Sensitivity information on loan loss allowances".

As part of the process for recognising loan loss allowances for significant customer exposures, specific allowances for losses on individual bank loan accounts or provisions for contingent liabilities and lending commitments are formed on a case-by-case basis. The following important evaluations are required for this:

- Estimation of the financial position and development with the relevant customer,
- Determination and weighting of scenarios,
- Estimation of expected returns from realising securities.

Valuation of expected credit losses in connection with COVID-19

Raiffeisenlandesbank Oberösterreich has decided to abolish the model enhancements and post-model adjustments made in connection with COVID-19 at the end of the first half of 2022. The management override to "freeze" the time window (as at 31 December 2020) of the macroeconomic time series which form the basis for the IFRS 9 risk parameter determination was therefore terminated. The industry-specific collective stage transfer was also abolished at the same time. The clients affected were subject to intensive analysis or monitoring in the past quarters and collectively returned to Stage 1, provided that no other individual criteria apply that would require them to remain in Stage 2.

Assessment of expected credit losses in connection with the macroeconomic environment and geopolitical upheavals such as the Russia-Ukraine war

The increase in the Austrian HICP inflation rate, which began in spring 2021, continued in the first half of 2022 and reached its highest level in almost 50 years in mid-2022. According to forecasts from the Austrian National Bank as well as other institutes, inflation will remain significantly above the long-term average over the next few years. Regardless of when the intense fighting in Ukraine ends, it must be assumed that the Western economic sanctions against Russia will remain in place in the medium term. In addition, the situation surrounding commodity prices for energy and food and agricultural products as well as supply bottlenecks in the global supply chain will remain tense. Restrictions on energy supplies, up to and including a complete halt or ban on Russian gas imports, are assumed to be the greatest risk factor.

The provision models developed as part of the implementation of IFRS 9 contain macroeconomic forecasts which have a procyclical effect, also in times of crisis. This means that banks form provisions at the portfolio level before a wave of insolvencies occurs, and Raiffeisenlandesbank Oberösterreich does the same. The macroeconomic time series used by Raiffeisenlandesbank Oberösterreich in the course of developing the IFRS 9 model would have forecast a default risk due to the extremely high inflation, which is not plausible at this level in a historical comparison. These extreme macroeconomic realisations and forecasts could be processed accordingly by further developing the IFRS 9 PD model for the Corporates segment as at 30 June 2022. The default time series observed up to now in the Corporates segment was analysed as part of this process. Among other things, this reflects the global financial crisis from 2007 and the euro crisis from 2010 and is therefore considered to be meaningful. Defaults observed previously in 2020 and 2021 in connection with the COVID-19 crisis, which mark the historical minimum, were also taken into account. In these years characterised by COVID-19, it was observed that macroeconomic extremes do not necessarily lead to higher probabilities of default and these are largely cushioned by government support measures. Therefore, an upper limit was introduced for default rates in the Corporates sector. This further development of the model also ensured that macroeconomic outliers, which were not included in the model development to a comparable extent, nevertheless lead to plausible probabilities of default.

SEGMENT REPORTING

Segment reporting H1 of 2022

IN EUR '000	Corporates	Retail & Private Banking	Financial Markets	Equity Investments	Corporate Center	Total
Net interest income	**160,601**	**27,103**	**22,280**	**4,619**	**423**	**215,026**
Loan loss allowances	-36,048	-4,856	3,495	156	-425	-37,678
Net interest income after loan loss allowances	**124,553**	**22,247**	**25,775**	**4,775**	**-2**	**177,348**
Share of profit or loss of equity-accounted companies	0	0	0	-375,003	0	-375,003
Net fee and commission income	33,304	24,116	14,051	37,441	1,253	110,165
Net income from trading operations	1,373	874	50	405	0	2,702
Net income from financial instruments carried at fair value	0	0	33,676	-7,129	0	26,547
Net income from other financial instruments	29	0	-749	-2,219	0	-2,939
General administrative expenses	-52,333	-46,471	-20,718	-319,409	-45,852	-484,783
Revenue and miscellaneous other operating income	1,126	643	651	659,099	21,221	682,740
Cost of sales and miscellaneous other expenses	-24,399	-3,274	-2,756	-336,910	-5,513	-372,852
Pre-tax profit for the period	**83,653**	**-1,865**	**49,980**	**-338,950**	**-28,893**	**-236,075**
Operating profit*	119,672	2,991	13,558	-329,758	-28,468	-222,005
Average equity	1,567,895	173,544	1,081,272	1,995,503	183,046	5,001,260
Assets as at 30 June	19,843,226	3,757,523	16,511,465	7,304,054	2,805,909	50,222,177

Segment reporting first half of 2021

IN EUR '000	Corporates	Retail & Private Banking	Financial Markets	Equity Investments	Corporate Center	Total
Net interest income	**146,460**	**28,634**	**26,618**	**-489**	**-431**	**200,792**
Loan loss allowances	-2,875	1,727	7,078	-1,345	416	5,001
Net interest income after loan loss allowances	**143,585**	**30,361**	**33,696**	**-1,834**	**-15**	**205,793**
Share of profit or loss of equity-accounted companies	0	0	0	110,869	0	110,869
Net fee and commission income	27,567	26,176	11,787	32,369	2,555	100,454
Net income from trading operations	1,487	616	3,867	-276	-759	4,935
Net income from financial instruments carried at fair value	27	0	43,489	22,028	21	65,565
Net income from other financial instruments	0	34	235	-591	-140	-462
General administrative expenses	-53,093	-45,041	-20,860	-262,436	-41,838	-423,268
Revenue and miscellaneous other operating income	514	579	878	515,240	23,579	540,790
Cost of sales and miscellaneous other expenses	-20,896	-3,495	-1,643	-271,202	-9,772	-307,008
Pre-tax profit for the period	**99,191**	**9,230**	**71,449**	**144,167**	**-26,369**	**297,668**
Operating profit*	102,039	7,469	20,647	124,075	-26,666	227,564
Average equity	1,616,102	288,485	1,110,645	1,709,507	140,108	4,864,847
Assets as at 30 June	18,503,525	3,754,575	18,477,083	7,575,541	2,304,138	50,614,862

Note: Following the merger of SALZBURGER LANDES-HYPOTHEKENBANK AKTIENGESELLSCHAFT with Raiffeisenlandesbank Oberösterreich AG in autumn 2021, HYPO Salzburg's income and expenses are reported in the respective banking segments. The original presentation of the segment reporting in the first half of 2021 was made before the merger and was therefore also adjusted retroactively in accordance with this new organisational structure for the sake of comparability.

* Operating profit is the difference between operating income and operating expenses. At group level, it is calculated by deducting general administrative expenses from the sum of net interest income, the result of companies accounted for using the equity method, net fee and commission income, the result of trading transactions, and other operating income.

INCOME STATEMENT DISCLOSURES

1. Net interest income

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Interest income using the effective interest method	**313,996**	**279,610**
from non-derivative financial assets in the "At amortised cost" (AC) category	233,620	202,814
from non-derivative financial liabilities in the "At amortised cost" (AC) category	54,012	46,666
from non-derivative financial assets in the "At fair value through other comprehensive income" (FVOCI) category	26,364	30,129
Other interest income	**182,540**	**191,990**
from non-derivative financial assets in the "At fair value through profit or loss" (FVTPL) category	863	938
from non-derivative financial assets in the "Designated at fair value through profit or loss" (FVO) category	1,827	2,684
from non-derivative financial liabilities in the "At fair value through profit or loss" (FVTPL) category	0	0
from non-derivative financial liabilities in the "Designated at fair value through profit or loss" (FVO) category	0	0
from derivative financial instruments in the "At fair value through profit or loss" (FVTPL) category	136,453	151,060
from lease financing in accordance with IFRS 16	43,396	37,307
Other interest-related income	**100**	**72**
Current income from financial assets in the "At fair value through profit or loss" (FVTPL) category	**4,643**	**3,685**
Interest and interest-related income	**501,279**	**475,357**
Interest expenses	**-285,414**	**-273,594**
for non-derivative financial liabilities in the "At amortised cost" (AC) category	-91,311	-91,330
for non-derivative financial liabilities in the "At fair value through profit or loss" (FVTPL) category	0	0
for non-derivative financial liabilities in the "Designated at fair value through profit or loss" (FVO) category	-30,990	-34,727
for non-derivative financial assets in the "At amortised cost" (AC) category	-32,940	-30,141
for non-derivative financial assets in the "At fair value through other comprehensive income" (FVOCI) category	0	0
for non-derivative financial assets in the "At fair value through profit or loss" (FVTPL) category	-112	-284
for non-derivative financial assets in the "Designated at fair value through profit or loss" (FVO) category	0	0
for derivative financial instruments in the "At fair value through profit or loss" (FVTPL) category	-129,680	-116,757
for lease liabilities in accordance with IFRS 16	-383	-354
Other interest-related expenses	**-839**	**-972**
Interest and interest-related expenses	**-286,253**	**-274,566**
Net interest income	**215,026**	**200,791**

Interest income includes interest income from value-adjusted loans and advances to customers and banks of EUR +5,690 thousand (H1 2021: EUR +3,397 thousand). Interest income from significant value-adjusted loans and advances to customers and banks are recognised using the interest rate which was used in determining the impairment loss for discounting the future cash flow.

Reference is made to the effects resulting from the law in relation to maintaining margins in the case of negative interest rates in the "Provisions" section in the Notes.

2. Loan loss allowances

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Loan loss allowances	**-37,678**	**5,001**
Changes to the loan loss allowance through profit and loss under IFRS 9	-43,686	-10,437
Direct impairment losses	-1,926	-1,693
Amounts received against loans and advances written off*	7,935	17,131

* including disposal effects in connection with POCI assets

For further details on the loan loss allowances, please refer to the loan loss allowance schedule in the Notes.

3. Share of profit or loss of equity-accounted companies

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Share of profit or loss of equity-accounted companies	**-375,003**	**110,869**
Pro rate net income	-8,219	123,448
Impairment from companies accounted for using the equity method	-366,783	-12,579
Reversal of impairment from companies accounted for using the equity method	0	0

Please refer to the "Companies accounted for using the equity method" section in the Notes for further details regarding the results from companies accounted for using the equity method as well as the gains or losses in this regard (impairment or reversal of impairment). The above amounts are assigned to the Equity investments segment.

4. Net fee and commission income

H1 2022 IN EUR '000	Corporates	Retail & Private Banking	Financial Markets	Equity Investments	Corporate Center	Total
Fee and commission income	**35,717**	**26,592**	**26,744**	**46,532**	**2,760**	**138,345**
from payment transactions	7,331	9,597	21	-194	2,242	18,997
from funding transactions	25,869	1,212	472	-6	-132	27,415
from securities business	299	10,756	20,021	21,082	469	52,627
from foreign exchange, currency and precious metals transactions	1,389	895	943	15	134	3,376
from other service business	829	4,132	5,287	25,635	47	35,930
Fee and commission expenses	**-2,413**	**-2,476**	**-12,693**	**-9,091**	**-1,507**	**-28,180**
from payment transactions	-154	-789	-205	-342	-851	-2,341
from funding transactions	-2,069	-173	0	-8	-356	-2,606
from securities business	-36	-1,514	-12,461	42	-153	-14,122
from foreign exchange, currency and precious metals transactions	0	0	0	0	0	0
from other service business	-154	0	-27	-8,783	-147	-9,111
Net fee and commission income	**33,304**	**24,116**	**14,051**	**37,441**	**1,253**	**110,165**

H1 2021 IN EUR '000	Corporates	Retail & Private Banking	Financial Markets	Equity Investments	Corporate Center	Total
Fee and commission income	**29,019**	**28,581**	**23,274**	**42,949**	**3,815**	**127,638**
from payment transactions	6,631	9,419	51	-90	2,023	18,034
from funding transactions	21,318	3,589	866	-36	1,251	26,988
from securities business	38	11,536	21,303	16,238	399	49,514
from foreign exchange, currency and precious metals transactions	992	735	997	273	95	3,092
from other service business	40	3,302	57	26,564	47	30,010
Fee and commission expenses	**-1,452**	**-2,405**	**-11,487**	**-10,580**	**-1,260**	**-27,184**
from payment transactions	-159	-465	-186	-393	-716	-1,919
from funding transactions	-1,136	-221	0	-152	-280	-1,789
from securities business	0	-1,701	-11,272	-290	-100	-13,363
from foreign exchange, currency and precious metals transactions	0	0	0	0	0	0
from other service business	-157	-18	-29	-9,745	-164	-10,113
Net fee and commission income	**27,567**	**26,176**	**11,787**	**32,369**	**2,555**	**100,454**

5. Net income from trading operations

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Net income from trading operations	**2,702**	**4,935**
Interest rate-related business	-790	1,309
Currency related business	2,560	3,057
Other transactions	932	569

6. Net income from financial instruments carried at fair value

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Net income from financial instruments carried at fair value	**26,547**	**65,565**
from non-derivative financial assets in the "At fair value through profit or loss" (FVTPL) category	-11,946	22,009
from non-derivative financial assets in the "Designated at fair value through profit or loss" (FVO) category	-25,209	-10,019
from non-derivative financial liabilities in the "Designated at fair value through profit or loss" (FVO) category	212,346	74,362
from derivative financial instruments in the "At fair value through profit or loss" (FVTPL) category	-148,644	-20,787

7. Net income from other financial instruments

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Gain or loss on disposal	**1,947**	**129**
of securities in the "At amortised cost" (AC) category	-1	184
of securities in the "At fair value through other comprehensive income" (FVOCI) category	1,947	-54
Gain or loss arising from hedge accounting	**-2,266**	**-854**
Gain or loss arising from fair value hedges	**-5,017**	**-1,047**
from underlying transactions in fair value hedges	472,948	105,161
from hedging instruments in fair value hedges	-477,965	-106,208
Gain or loss arising from portfolio fair value hedges	**2,751**	**193**
from underlying transactions in portfolio fair value hedges	-358,924	-38,225
from hedging instruments in portfolio fair value hedges	361,675	38,418
Net income on disposal	**9**	**0**
of loans and advances to banks in the "At amortised cost" (AC) category	9	0
of loans and advances to customers in the "At amortised cost" (AC) category	0	0
Modification result	**29**	**-301**
Modification income	**201**	**456**
from financial assets in the "At amortised cost" (AC) category	201	456
from financial assets in the "At fair value through other comprehensive income" (FVOCI) category	0	0
Modification expenditure	**-172**	**-757**
from financial assets in the "At amortised cost" (AC) category	-172	-757
from financial assets in the "At fair value through other comprehensive income" (FVOCI) category	0	0
Gain or loss from initial consolidation and deconsolidation	**-2,657**	**565**
Total	**-2,939**	**-462**

In the first half of 2022, there was an effect of EUR -2,657 thousand (H1 2021: EUR +565 thousand) in connection with first-time consolidations and deconsolidations. The table showing the individual disposals from the first half of 2022 can be found in the section "Basis of presentation of the consolidated financial statements in accordance with IFRS".

8. General administrative expenses

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Personnel expenses	-244,057	-212,419
Administrative expenses	-177,143	-149,771
(Write-ups)/depreciation and impairment losses on property, plant and equipment and on investment property	-63,583	-61,079
Total	**-484,783**	**-423,268**

In the first half of 2022, the "General administrative expenses" include approximately EUR -183.9 million (H1 2021: EUR -137.6 million) from companies in the food sector (VIVATIS/efko Group). Companies from the food industry are, as their business is unrelated to banking, mainly reported in the income statement under Other net operating income and General administrative expenses.

The general administrative expenses from the "OÖ Wohnbau" companies were EUR -18.2 million in the first half of 2022 (H1 2021: EUR -17.3 million).

Expenses from real estate held as financial investments amounted to EUR -7.7 million in the first half of 2022 (H1 2021: EUR -7.2 million).

In the Raiffeisenlandesbank Oberösterreich Group, the relief provisions were applied to the rental concessions related to the COVID-19 pandemic, as a result of which the variable lease payments included in general administrative expenses were offset by an amount of EUR 3 thousand in the first half of 2022 (H1 2021: EUR 136 thousand).

9. Other net operating income

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Revenues and miscellaneous other operating income	**682,740**	**540,790**
Sales revenue from non-banking activities	606,374	472,179
Income from real estate held as financial investments	16,326	16,456
Miscellaneous operating income	60,040	52,155
Cost of sales and miscellaneous other expenses	**-372,852**	**-307,008**
Cost of sales from non-banking activities	-273,327	-205,452
Changes in inventory	2,118	-497
Other tax and fees	-6,120	-5,341
Miscellaneous operating expenses	-95,523	-95,719
Total	**309,887**	**233,782**

In the first half of 2022, total expenses of EUR -4.8 million (H1 2021: EUR -4.1 million) for the stability fee was recognised in Raiffeisenlandesbank Oberösterreich. All expenses in connection with the stability fee are stated in the item "Other tax and fees". The expenses for the annual contributions in 2022 for the resolution fund and the deposit guarantee scheme of Raiffeisenlandesbank Oberösterreich amounting to EUR -32.9 million (H1 2021: EUR -31.5 million) are posted under "Other operating expenses".

In total, "other net operating income" of the companies in the VIVATIS/efko Group amounts to around EUR 205.3 million (H1 2021: EUR 145.8 million). Companies from the food industry are, as their business is unrelated to banking, mainly reported in the income statement under Other net operating income and General administrative expenses.

The "OÖ Wohnbau" companies contribute about EUR 26.8 million to "other net operating income" (H1 2021: EUR 25.7 million).

In certain Group companies particularly affected economically by the COVID-19 pandemic - especially in the food industry - the following income-related government grants were claimed in the first half of 2022:

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Claims/compensation under the Epidemic Act	347	341
Funds for fixed costs	60	500
Short-time work	1,003	4,847
Lockdown revenue replacement	0	1,100
Loss replacement	294	2,301
Financial loss bonus	160	470
other aid in connection with COVID-19	619	11
TOTAL	**2,483**	**9,570**

In accordance with IAS 20.29, income-related grants are recognised in the item "Miscellaneous operating income".

In addition, applications have been submitted for investment premiums since the beginning of the pandemic in connection with COVID-19 in the amount of EUR 6.7 million. The development of the subsidies already recognised due to capitalised investments is as follows:

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
As at 1 Jan.	**1,714**	**350**
Addition	62	284
Reversal	-28	-3
Other changes	-17	0
As at 30 June	**1,731**	**631**

In accordance with IAS 20.26, investment premiums are reported in a separate item under "Other liabilities". In the item "Miscellaneous operating income", the investment premiums recognised are released to income over the economic life of the investment object from the time of commissioning.

The income from non-banking activity is broken down by key product groups in the following table. All sales revenues from non-banking activities are disclosed in the Equity Investments segment.

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Sales revenue from non-banking activities	**606,374**	**472,179**
from the food industry	435,933	295,312
from the real estate industry	82,278	96,737
from the IT group	62,229	57,756
Others	25,934	22,374

The following table breaks down income from non-banking activities by key product groups. These costs are disclosed in the Equity investments segment.

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Cost of sales from non-banking activities	**-273,327**	**-205,452**
from the food industry	-228,123	-148,550
from the real estate industry	-43,532	-55,647
from the IT group	-1,672	-1,255
Others	0	0

Of the Revenue from non-banking activities and Cost of sales from non-banking activities, by far the largest portion comes from companies in the food industry (VIVATIS/efko Group).

10. Taxes on income and earnings

IN EUR '000	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Taxes on income and earnings	**-27,914**	**-42,740**

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

11. Financial instruments disclosures

Categories of financial assets and financial liabilities as at 30 June 2022:

ASSETS IN EUR '000	**Measured at amortised cost (AC)**	**Measured at fair value through other comprehen-sive income (FVOCI)**	**Designated at fair value through other com-prehensive income (FVOCI option)**	**Measured at fair value through profit or loss (FVTPL)**	**Designated at fair value through profit or loss (FVO)**	**Carrying amount total 30 June 2022**	**Fair value total 30 June 2022**
Cash and cash equivalents	124,496	0	0	0	0	124,496	124,496
Loans and advances to banks	13,224,475	0	0	207,524	0	13,431,999	13,384,094
Loans and advances to customers	26,101,750	0	0	70,796	85,536	26,258,082	26,007,938
Trading assets	0	0	0	1,467,738	0	1,467,738	1,467,738
Financial assets	130,878	3,824,056	0	863,392	45,374	4,863,700	4,867,970
Assets held for sale*	4,233	0	0	437	0	4,670	4,619
Carrying amount total 30 June 2022	**39,585,832**	**3,824,056**	**0**	**2,609,887**	**130,910**	**46,150,685**	**45,856,855**

* only carrying amounts for financial instruments affected

The amount of the change in fair value of assets designated at fair value through profit and loss that was due to changes in ratings came to a valuation loss of EUR 913 thousand for the first half of 2022 (aggregate valuation gain EUR 1,429 thousand). This figure was obtained by applying the changes in credit spread. The maximum default risk for these assets designated at fair value through profit and loss as at 30 June 2022 was EUR 130,910 thousand.

EQUITY AND LIABILITIES IN EUR '000	**Measured at amortised cost (AC)**	**Measured at fair value through profit or loss (FVTPL)**	**Designated at fair value through profit or loss (FVO)**	**Carrying amount total 30 June 2022**	**Fair value total 30 June 2022**
Amounts owed to banks	20,211,358	0	89,900	20,301,258	20,083,129
Amounts owed to customers	12,458,534	0	267,157	12,725,691	12,699,855
Trading liabilities	0	1,392,041	0	1,392,041	1,392,041
Liabilities evidenced by certificates	7,538,185	0	1,340,513	8,878,698	8,864,861
Subordinated capital	636,529	0	309,759	946,288	934,771
Carrying amount total 30 June 2022	**40,844,606**	**1,392,041**	**2,007,329**	**44,243,976**	**43,974,658**

* only carrying amounts for financial instruments affected

As at 30 June 2022, Moody's gave Raiffeisenlandesbank Oberösterreich an A3 rating (previous year: A3). Of the changes in the fair value of liabilities designated at fair value through profit or loss in the first half of 2022, EUR 1,331 thousand are attributable to valuation gains from credit rating-induced changes (cumulative valuation gains of EUR 4,492 thousand before taking deferred taxes into account). Effects of changes in default risk are recorded in other comprehensive income. The remaining part of the change in fair value of the financial liabilities is recorded through profit and loss. In order to calculate the fair value change caused by creditworthiness, the fair value at the reporting date is compared with a fair value which is determined using historic premiums on the yield curves caused by credit risk at the start of the transaction and at the end of the previous financial year. The business data and yield curves as at the reporting date are used. The carrying amount of the liabilities designated at fair value through profit or loss amounts to EUR 2,007,329 thousand as at 30 June 2022. EUR 129 thousand of accumulated profit or loss within equity was reclassified as a result of repayments or redemptions in the first half of 2022.

The carrying amount of designated financial liabilities as at 30 June 2022 was EUR 157,107 thousand lower than the repayment sum contractually agreed.

Categories of financial assets and financial liabilities as at 31 December 2021:

ASSETS IN EUR '000	Measured at amortised cost (AC)	Measured at fair value through other comprehensive income (FVOCI)	Designated at fair value through other comprehensive income (FVOCI option)	Measured at fair value through profit or loss (FVTPL)	Designated at fair value through profit or loss (FVO)	Carrying amount total 31 Dec. 2021	Fair value total 31 Dec. 2021
Cash and cash equivalents	130,188	0	0	0	0	130,188	130,188
Loans and advances to banks	13,812,693	0	0	232,677	0	14,045,370	14,079,097
Loans and advances to customers	25,095,663	0	0	90,073	109,402	25,295,138	26,084,425
Trading assets	0	0	0	1,800,437	0	1,800,437	1,800,437
Financial assets	146,568	4,353,489	0	843,029	142,670	5,485,756	5,496,902
Assets held for sale*	43,656	0	0	34,639	0	78,295	80,023
Carrying amount total 31 Dec. 2021	**39,228,768**	**4,353,489**	**0**	**3,000,855**	**252,072**	**46,835,184**	**47,671,072**

* only carrying amounts for financial instruments affected

The amount of the change in fair value of assets designated at fair value through profit and loss that was due to changes in ratings came to a valuation loss of EUR 3,116 thousand for the 2021 financial year (cumulative valuation gains of EUR 2,700 thousand). This figure was obtained by applying the changes in credit spread. The maximum default risk for these assets designated at fair value through profit and loss as at 31 December 2021 was EUR 252,072 thousand.

EQUITY AND LIABILITIES IN EUR '000	Measured at amortised cost (AC)	Measured at fair value through profit or loss (FVTPL)	Designated at fair value through profit or loss (FVO)	Carrying amount total 31 Dec. 2021	Fair value total 31 Dec. 2021
Amounts owed to banks	20,126,581	0	141,094	20,267,675	20,343,941
Amounts owed to customers	13,204,436	0	296,943	13,501,379	13,540,187
Trading liabilities	0	1,443,914	0	1,443,914	1,443,914
Liabilities evidenced by certificates	7,376,399	0	1,567,195	8,943,594	9,024,238
Subordinated capital	738,760	0	344,886	1,083,646	1,121,475
Carrying amount total 31 Dec. 2021	**41,446,176**	**1,443,914**	**2,350,118**	**45,240,208**	**45,473,755**

As at 31 December 2021, Moody's gave Raiffeisenlandesbank Oberösterreich an A3 rating (previous year: Baa1). Of the changes in the fair value of liabilities designated at fair value through profit or loss in the 2021 financial year, EUR 18,517 thousand are attributable to valuation losses from changes induced by credit ratings (cumulative valuation gains of EUR 3,032 thousand before taking deferred taxes into account). Effects of changes in default risk are recorded in other comprehensive income. The remaining part of the change in fair value of the financial liabilities is recorded through profit and loss. In order to calculate the fair value change caused by creditworthiness, the fair value at the reporting date is compared with a fair value which is determined using historic premiums on the yield curves caused by credit risk at the start of the transaction and at the end of the previous financial year. The business data and yield curves as at the reporting date are used. The carrying amount of the liabilities designated at fair value through profit or loss amounts to EUR 2,350,118 thousand as at 31 December 2021. EUR 552 thousand of accumulated profit or loss within equity was reclassified as a result of repayments or redemptions in the 2021 financial year.

The carrying amount of designated financial liabilities as at 31 December 2021 was EUR 51,989 thousand higher than the repayment sum contractually agreed.

Breakdown of the fair value of financial instruments as at 30 June 2022:

IN EUR '000	Financial instruments measured at fair value 30 June 2022	Thereof market prices listed in active markets (Level I)	Thereof measurement methods based on market data (Level II)	Thereof measurement methods not based on market data (Level III)
Measured at fair value through profit or loss (FVTPL)*	2,609,887	22,776	1,718,554	868,557
Designated at fair value through profit or loss (FVO)	130,910	45,374	0	85,536
Measured at fair value through other comprehensive income (FVOCI)	3,824,056	3,408,897	415,159	0
Designated at fair value through other comprehensive income (FVOCI option)	0	0	0	0
Total financial assets measured at fair value	**6,564,853**	**3,477,047**	**2,133,713**	**954,093**
Measured at fair value through profit or loss (FVTPL)	1,392,041	0	1,392,041	0
Designated at fair value through profit or loss (FVO)	2,007,329	0	2,007,329	0
Total financial liabilities measured at fair value	**3,399,370**	**0**	**3,399,370**	**0**

* of which EUR 0.4 million in connection with assets held for sale

Reclassifications between Level I and Level II in H1 2022:

IN EUR '000	Reclassifications from Level I to Level II	Reclassifications from Level II to Level I
Measured at fair value through profit or loss (FVTPL)	0	0
Designated at fair value through profit or loss (FVO)	0	0
Measured at fair value through other comprehensive income (FVOCI)	1,036	0
Designated at fair value through other comprehensive income (FVOCI option)	0	0
Total financial assets measured at fair value	**1,036**	**0**
Measured at fair value through profit or loss (FVTPL)	0	0
Designated at fair value through profit or loss (FVO)	0	0
Total financial liabilities measured at fair value	**0**	**0**

Reclassifications between Level I and Level II take place at Raiffeisenlandesbank Oberösterreich as soon as there is a change in the input factors that are relevant for the classification in the measurement hierarchy. Reclassifications from Level I to Level II can result from the elimination of prices for identical assets listed on active exchanges. Reclassifications from Level II to Level I can result from the appearance of prices listed on active exchanges that previously did not exist.

The calculation of translation reserves in H1 2022 of financial instruments measured at fair value in Level III:

IN EUR '000	Measured at fair value through profit or loss (FVTPL)	Designated at fair value through profit or loss (FVO)	Measured at fair value through other comprehensive income (FVOCI)	Designated at fair value through other comprehensive income (FVOCI option)
As at 1 Jan. 2022	**893,577**	**109,402**	**0**	**0**
Purchases	51,370	11	0	0
Divestments	-64,453	-1,540	0	0
Change in the scope of consolidation	-5,260	0	0	0
Effective results	-6,677	-22,337	0	0
Effect-neutral results	0	0	0	0
Revalued at fair value	0	0	0	0
Reclassification to Level III	0	0	0	0
Reclassification from Level III	0	0	0	0
As at 30 June 2022	**868,557**	**85,536**	**0**	**0**

There was no reclassification from Level II to Level III in the first half of 2022. The amount of income statement-related gains and losses recorded from recurring valuation of the fair value in Level III of the assets and liabilities found in the portfolio at the end of the financial year amounts to EUR -32,560 thousand.

Effective results from financial assets are essentially recognised in the income statement in the following items:

- Net income from financial instruments carried at fair value
- Net income from other financial instruments

Effect-neutral results are recognised in the statement of comprehensive income and thus in the equity item “Retained earnings”. This does not include disposal results and currency valuations from monetary financial instruments (debt instruments) which are recognised in the net income from other financial instruments.

Sensitivity analysis as at 30 June 2022:

	Carrying amount corresponds with fair value (Level III) IN EUR '000	Fair value gain -100 basis points IN %
Loans and advances	156,515	2.43%
Securities	338,071	8.31%
Equity investments	336,731	18.80%

	Carrying amount corresponds with fair value (Level III) IN EUR '000	Fair value loss +100 basis points IN %
Loans and advances	156,515	-6.98%
Securities	338,071	-5.92%
Equity investments	336,731	-14.26%

Credit spreads of 100 basis points in each case are varied for all fixed-interest securities and loans and advances measured at fair value for the sensitivity analysis. New fair values were established based on this shift in credit spreads, either as an addition or a deduction in the discount curve in the valuation. The difference to the fair value originally established is shown in the table above in percentage values.

The sensitivity analysis for variable income securities and investments was likewise conducted based upon a shift in interest rates of +100 basis points or -100 basis points respectively. In the case of real estate values, the capitalisation interest rate was varied in accordance with the Net Asset Value Method. In the case of the remaining investments, the risk-free base interest rate or, in the case of the investments valued according to the DCF Method, the WACC was changed. The remaining valuation parameters remained constant in this process (e.g. no consideration was taken of the countervailing or dampening financing advantage generated from fixed interest rate agreements).

No interest rate shift was conducted for non-significant investments and non-fixed interest securities. The carrying amount and fair value of these financial assets (amounting to EUR 121,776 thousand) is consequently not included in the above table.

Breakdown of the fair value of financial instruments as at 31 December 2021:

IN EUR '000	Financial instruments measured at fair value 31 Dec. 2021	Thereof market prices listed in active markets (Level I)	Thereof measurement methods based on market data (Level II)	Thereof measurement methods not based on market data (Level III)
Measured at fair value through profit or loss (FVTPL)*	3,000,856	25,878	2,081,401	893,577
Designated at fair value through profit or loss (FVO)	252,072	142,670	0	109,402
Measured at fair value through other comprehensive income (FVOCI)	4,353,489	3,942,979	410,510	0
Designated at fair value through other comprehensive income (FVOCI option)	0	0	0	0
Total financial assets measured at fair value	**7,606,417**	**4,111,527**	**2,491,911**	**1,002,979**
Measured at fair value through profit or loss (FVTPL)	1,443,914	0	1,443,914	0
Designated at fair value through profit or loss (FVO)	2,350,118	0	2,350,118	0
Total financial liabilities measured at fair value	**3,794,032**	**0**	**3,794,032**	**0**

* of which EUR 34.6 million in connection with assets held for sale

Reclassifications between Level I and Level II in H1 2021:

There were neither reclassifications from Level I to Level II nor from Level II to Level I in the first half of 2021.

The calculation of translation reserves in H1 2021 of financial instruments measured at fair value in Level III:

IN EUR '000	Measured at fair value through profit or loss (FVTPL)	Designated at fair value through profit or loss (FVO)	Measured at fair value through other comprehensive income (FVOCI)	Designated at fair value through other comprehensive income (FVOCI option)
As at 1 Jan. 2021	**769,903**	**124,014**	**0**	**0**
Purchases	22,542	12	0	0
Divestments	-4,933	-1,413	0	0
Change in the scope of consolidation	0	0	0	0
Effective results	19,327	-7,570	0	0
Effect-neutral results	0	0	0	0
Revalued at fair value	0	0	0	0
Reclassification to Level III	0	0	0	0
Reclassification from Level III	0	0	0	0
As at 30 June 2021	**806,839**	**115,043**	**0**	**0**

There was no reclassification from Level II to Level III in the first half of 2021. The amount of income statement-related gains and losses recorded from recurring valuation of the fair value in Level III of the assets and liabilities found in the portfolio at the end of the financial year amounted to EUR +11,749 thousand.

Effective results from financial assets are essentially recognised in the income statement in the following items:

- Net income from financial instruments carried at fair value
- Net income from other financial instruments

Effect-neutral results are recognised in the statement of comprehensive income and thus in the equity item "Retained earnings". This does not include disposal results and currency valuations from monetary financial instruments (debt instruments) which are recognised in the net income from other financial instruments.

Sensitivity analysis as at 31 Dec. 2021:

	Carrying amount corresponds with fair value (Level III) IN EUR '000	Fair value gain -100 basis points IN %
Loans and advances	199,683	2.51%
Securities	338,107	8.31%
Equity Investments	372,888	18.05%

	Carrying amount corresponds with fair value (Level III) IN EUR '000	Fair value loss +100 basis points IN %
Loans and advances	199,683	-7.94%
Securities	338,107	-5.92%
Equity Investments	372,888	-14.62%

Credit spreads of 100 basis points in each case are varied for all fixed-interest securities and loans and advances measured at fair value for the sensitivity analysis. New fair values were established based on this shift in credit spreads, either as an addition or a deduction in the discount curve in the valuation. The difference to the fair value originally established is shown in the table above in percentage values.

The sensitivity analysis for variable income securities and investments was likewise conducted based upon a shift in interest rates of +100 basis points or -100 basis points respectively. In the case of real estate values, the capitalisation interest rate was varied in accordance with the Net Asset Value Method. In the case of the remaining investments, the risk-free base interest rate or, in the case of the investments valued according to the DCF Method, the WACC was changed. The remaining valuation parameters remained constant in this process (e.g. no consideration was taken of the countervailing or dampening financing advantage generated from fixed interest rate agreements).

No interest rate shift was conducted for non-significant investments and non-fixed interest securities. The carrying amount and fair value of these financial assets (amounting to EUR 92,267 thousand) is consequently not included in the above table.

In the case of equity investments and profit participation rights, variations were also made, e.g. as to parameters within the framework of the associated company valuations. In contrast to the case with the discount interest rate, in each case a partial amount of the company valuations was taken as the basis for which the parameters or parameter shift makes sense or is possible respectively. This led to the following results:

- A change of +100 base points or -100 base points in the interest rate for the “perpetual annuity” leads, in view of underlying company valuations with a fair value in total of EUR 244.4 million, to an increase of +6.87% or to a reduction of -6.84% respectively.
- A change of +100 base points or -100 base points in the absolute “lease price” leads, in view of underlying company valuations (of real estate companies) with a fair value in total of EUR 173.5 million, to an increase of +0.74% or to a reduction of -2.88% respectively.
- A change of +€5/MWh or -€5/MWh in the long-term energy price level leads, in view of underlying company valuations (of energy supply companies) with a fair value in total of EUR 183.6 million, to an increase of +7.83% or to a reduction of -7.39% respectively.

Valuation procedures and input factors in determining fair values

Level	Instrument	Types	Valuation technique	Input factors
II	Loans and advances to banks		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable CDS spreads of counterparties; CDS spreads of contracting parties; observable credit spreads for banks by rating category; external rating of contracting parties
III	Loans and advances to banks		Capital value oriented	Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; fund/liquidity costs; CDS sector curves by rating category Input factors not observable on the market: internal rating classification of the counterparties; credit spreads calculated from risk and equity premiums based on internal calculations for the credit risk of the counterparties*
II	Loans and advances to customers		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable CDS spreads of contracting parties
III	Loans and advances to customers		Capital value oriented	Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; fund/liquidity costs; CDS sector curves by rating category Input factors not observable on the market: internal rating classification of the counterparties; credit spreads calculated from risk and equity premiums based on internal calculations for the credit risk of the counterparties*
II	Derivatives	Over the counter	Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable credit spreads of contracting parties and own credit spread
I	Financial assets	Listed securities	Market value oriented	Stock market prices; prices quoted by market participants
II	Financial assets	Non-listed securities	Market value oriented	Prices quoted by market participants for equivalent financial instruments; cash flows already fixed or determined using forward rates; observable yield curve; credit spreads of comparable observable instruments
III	Financial assets	Non-listed securities	Capital value oriented	Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; credit spreads by sector and rating categories Input factors not observable on the market: Internal rating classification of contracting parties
I	Financial assets	Shares	Market value oriented	Stock market price
II	Financial assets	Shares in non-consolidated subsidiaries, other investments	Multiple method	Comparative figure (earnings or carrying amount multiple) based on comparable transactions or listed peer groups in individual cases indicative offers as best estimator for a future transaction value
II	Financial assets	Shares in non-consolidated subsidiaries, other investments	Transaction price	Transaction prices, provided that a transaction of the valuation object (or shares of this) has taken place within the last 12 months before the valuation date
II	Financial assets	Shares in non-consolidated subsidiaries, other investments	Options valuation	Underlying option contract (put or call option)
III	Financial assets	Shares in non-consolidated subsidiaries, other investments and participation rights	Discounted Cash flow ("DCF")	Free cash flows Risk-free interest rate: interest rate structure of 30-year German federal bonds at using the Svensson method Beta factor: derivation of the unlevered beta factor from listed companies comparable in terms of risk (peer group) Market risk premium: based on the recommendation of the Fachsenat für Betriebswirtschaft der Kammer der Steuerberater und Wirtschaftsprüfer (Professional Senate for Business Administration of the Chamber of Tax Advisors and Auditors), taking into account capital market data Yield requirement of lenders: risk-appropriate (peer group rating) interest rates on borrowed capital based on corporate yield curves Leverage ratio: leverage ratio of the peer group Country risk premium: publications by Prof. Damodaran; taken into account if the company does not have its registered head office in the eurozone

Level	Instrument	Types	Valuation technique	Input factors
III	Financial assets	Shares in non-consolidated subsidiaries, other investments and participation rights	Dividend Discount Model ("DDM")	Dividends Risk-free interest rate: interest rate structure of 30-year German federal bonds using the Svensson method Beta factor: derivation of the levered beta factor from listed companies comparable in terms of risk (peer group) Market risk premium: based on the recommendation of the Fachsenat für Betriebswirtschaft der Kammer der Steuerberater und Wirtschaftsprüfer (Professional Senate for Business Administration of the Chamber of Tax Advisors and Auditors) taking into account capital market data Country risk premium: publications by Prof. Damodaran; taken into account if the company does not have its registered head office in the eurozone
III	Financial assets	Shares in non-consolidated subsidiaries, other equity investments and profit participation rights	Net Asset Value ("NAV")	The NAV is used for valuations in the real estate portfolio and for the sum of the parts valuation ("SoP") of holding companies and their investments. The hidden reserves in the equity investments are added to the net asset value of the parent company. For holding companies, the value contribution of their operational divisions was generally taken into account.
II	Amounts owed to banks		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk
II	Amounts owed to customers		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk
I	Liabilities evidenced by certificates		Market value oriented	Prices quoted by market participants
II	Liabilities evidenced by certificates		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk
II	Subordinated capital		Capital value oriented	Cash flows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk

* The risk premiums are calculated on the basis of IFRS 9 Point-in-Time Default Probabilities (PD-PIT) per customer type and rating and IFRS 9 Point-in-Time Loss Given Default Values (LGD-PIT), which are also used for the calculation of the statement of financial position loan loss allowances and staging in accordance with IFRS 9. The equity premiums are calculated on the basis of the return claim on the economic capital under Pillar 2, which is also included in the contribution margin calculation and customer pricing as imputed equity costs. The amount of the interest claim is determined by the Managing Board.

Hedge Accounting

Hedging transactions as at 30 June 2022:

IN EUR '000	Term of hedging transactions			
	up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Fair value hedges – Assets				
Nominal amount	75,000	432,553	4,439,133	4,985,556
Fair value hedges – Liabilities				
Nominal amount	75,000	668,022	3,607,114	3,527,760

Hedging instruments as at 30 June 2022 or in H1 2022:

IN EUR '000	Carrying amount of hedging instruments 30 June 2022	Nominal amount 30 June 2022	Change in the fair value which is used as the basis for recording hedge ineffectiveness 1 Jan.–30 June 2022*
Micro fair value hedge derivatives – Assets (fixed interest rate risk)	234,847	4,540,776	168,805
Interest rate swaps	234,847	4,540,776	168,805
Swaptions	0	0	0
Micro fair value hedge derivatives – Liabilities (fixed interest rate risk)	596,236	7,694,606	-646,770
Interest rate swaps	596,236	7,694,606	-646,770
Swaptions	0	0	0
Portfolio fair value hedge derivatives – Assets (fixed interest rate risk)	354,535	5,391,466	367,098
Interest rate swaps	332,893	4,230,176	329,778
Caps/Floors	21,642	1,161,290	37,320
Portfolio fair value hedge derivatives – Liabilities (fixed interest rate risk)	10,596	183,290	-5,423
Interest rate swaps	10,586	168,890	-5,834
Caps/Floors	10	14,400	411

* including business that expires in the first half of 2022

Underlying transactions as at 30 June 2022 or in H1 2022:

IN EUR '000	Carrying amount of the underlying transactions 30 June 2022	Accumulated amount of the hedge adjustment in the carrying amount of the underlying transaction 30 June 2022	Change in the value of the underlying transaction which is used as the basis for recording hedge ineffectiveness in the period 1 Jan.–30 June 2022*	Cumulative amount of the hedge adjustment remaining in the statement of financial position and no longer adjusted by hedging gains and losses 30 June 2022
Micro fair value hedges – Assets (fixed interest rate risk)	3,656,341	-233,953	-302,550	0
Loans and advances to banks	40,186	-2,595	-4,621	0
Loans and advances to customers	674,071	-44,490	-67,535	0
Financial assets	2,942,084	-186,868	-230,394	0
Micro fair value hedges – Liabilities (fixed interest rate risk)	8,038,164	-528,654	775,498	119
Amounts owed to banks	716,140	-38,811	47,904	119
Amounts owed to customers	658,667	-21,461	71,826	0
Liabilities evidenced by certificates	6,347,927	-416,867	607,561	0
Subordinated capital	315,430	-51,515	48,207	0
Portfolio fair value hedges – Assets (fixed interest rate risk)	6,353,392	-390,202	-358,924	n/a
Loans and advances to banks	493,552	-44,774	n/a	n/a
Loans and advances to customers	5,820,747	-343,188	n/a	n/a
Financial assets	39,093	-2,240	n/a	n/a
Assets held for sale	0	0	n/a	n/a

* including business that expires in the first half of 2022

Ineffectiveness in H1 2022:

IN EUR '000	Hedge ineffectiveness 1 Jan.–30 June 2022*
Micro fair value hedges – Assets (fixed interest rate risk)	
Loans and advances to banks	48
Loans and advances to customers	490
Financial assets	2,959
Micro fair value hedges – Liabilities (fixed interest rate risk)	
Amounts owed to banks	-355
Amounts owed to customers	-1,155
Liabilities evidenced by certificates	-6,407
Subordinated capital	-597
Portfolio fair value hedges – Assets (fixed interest rate risk)	
Financial assets – AC	2,751

* including business that expires in the first half of 2022

Application of hedge accounting

Fixed interest rate risk positions as part of the ordinary business activities of Raiffeisenlandesbank Oberösterreich result from the conclusion of loans and term deposits with customers as well as from the purchase of securities and from issues. These fixed interest rate risk positions are hedged at Raiffeisenlandesbank Oberösterreich either by means of portfolio fair value hedge or micro hedge accounting.

In micro hedge accounting, mainly positions on the liabilities side are hedged with regard to their fixed interest rate risk in order to reduce negative maturity transformation effects. Furthermore, on the asset side, there is an increase in interest rate hedging on a micro basis for large-volume customer transactions with stable cash flows and in the securities area.

With fair value hedge accounting on a portfolio basis ("portfolio fair value hedge"), interest rate risks at Raiffeisenlandesbank Oberösterreich are managed at the macro level. Raiffeisenlandesbank Oberösterreich's risk management identifies fixed-interest underlying transactions on the basis of defined criteria and allocates these to the macro hedge portfolio. The underlying transactions of the asset portfolios represent fixed-interest loans and securities in euros in the category "At amortised cost" (AC). These transactions also meet other general criteria (e.g. no underlying transactions in a micro-hedge, no defaulted or no inter-company transactions).

Variable instruments in which caps and floors are embedded also have a fixed interest rate risk, at least temporarily, if the figures exceed or fall below the interest rate limits. Variable financial assets with interest rate floors are accounted for in a separate portfolio. Loans, promissory note loans and securities with explicit floors are allocated to this portfolio currently in compliance with the criteria listed above.

Hedging transactions as at 30 June 2021:

IN EUR '000	up to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
	Term of hedging transactions			
Fair value hedges – Assets				
Nominal amount	67,000	269,781	3,467,106	3,782,852
Fair value hedges – Liabilities				
Nominal amount	237,612	394,884	3,778,877	3,148,175

Hedging instruments as at 30 June 2021 or in H1 2021:

IN EUR '000	Carrying amount of hedging instruments 30 June 2021	Nominal amount 30 June 2021	Change in the fair value which is used as the basis for recording hedge ineffectiveness 1 Jan. – 30 June 2021
Micro fair value hedge derivatives – Assets (fixed interest rate risk)	406,808	6,012,775	-148,096
Interest rate swaps	406,808	6,012,775	-148,096
Swaptions	0	0	0
Micro fair value hedge derivatives – Liabilities (fixed interest rate risk)	261,009	4,494,293	41,743
Interest rate swaps	261,009	4,494,293	41,743
Swaptions	0	0	0
Portfolio fair value hedge derivatives – Assets (fixed interest rate risk)	14,167	1,573,963	0
Interest rate swaps	12,449	1,234,411	0
Caps/Floors	1,718	339,552	0
Portfolio fair value hedge derivatives – Liabilities (fixed interest rate risk)	74,153	3,065,256	38,418
Interest rate swaps	67,952	2,045,960	33,306
Caps/Floors	6,201	1,019,296	5,112

Underlying transactions as at 30 June 2021 or in H1 2021:

IN EUR '000	Carrying amount of the underlying transactions 30 June 2021	Cumulative amount of the hedge adjustment in the carrying amount of the underlying transaction 30 June 2021	Change in the value of the underlying transaction which is used as the basis for recording hedge ineffectiveness in the period 1 Jan. – 30 June 2021	Cumulative amount of the hedge adjustment remaining in the statement of financial position and no longer adjusted by hedging gains and losses 30 June 2021
Micro fair value hedges – Assets (fixed interest rate risk)	4,151,093	117,984	-67,313	0
Loans and advances to banks	46,892	2,716	-1,258	0
Loans and advances to customers	778,228	34,522	-18,264	0
Financial assets	3,325,973	80,746	-47,791	0
Micro fair value hedges – Liabilities (fixed interest rate risk)	7,077,718	356,239	172,600	148
Amounts owed to banks	716,467	18,008	8,967	148
Amounts owed to customers	573,641	60,366	18,359	0
Liabilities evidenced by certificates	5,424,642	272,210	135,141	0
Subordinated capital	362,968	5,655	10,133	0
Portfolio fair value hedges – Assets (fixed interest rate risk)	3,991,322	-22,138	-38,225	n/a
Loans and advances to banks	182,454	-861	n/a	n/a
Loans and advances to customers	3,766,799	-21,270	n/a	n/a
Financial assets	40,969	-4	n/a	n/a
Assets held for sale	1,100	-3	n/a	n/a

Ineffectiveness in H1 2021

IN EUR '000	Hedge ineffectiveness 1 Jan. – 30 June 2021
Micro fair value hedges – Assets (fixed interest rate risk)	
Loans and advances to banks	20
Loans and advances to customers	199
Financial assets	-601
Micro fair value hedges – Liabilities (fixed interest rate risk)	
Amounts owed to banks	-124
Amounts owed to customers	-261
Liabilities evidenced by certificates	-17
Subordinated capital	-282
Portfolio fair value hedges – Assets (fixed interest rate risk)	
Financial assets – AC	193

Impact in conjunction with IBOR reform

The replacement of the following reference interest rates or currencies in connection with the IBOR reform – EONIA, CHF-LIBOR, GBP-LIBOR, JPY-LIBOR, USD-LIBOR (maturities 1 week and 2 months) – had already taken place by 31 December 2021.

The conversion of the corresponding reference interest rate into US dollars (remaining maturities) will take place by 1 July 2023 at the latest. Raiffeisenlandesbank Oberösterreich follows the recommendations for the successor to LIBOR and uses the CME Term SOFR Rate for US dollars. The extent of the volumes affected by the LIBOR conversion at Raiffeisenlandesbank Oberösterreich can be seen in the table below.

ASSETS

IN EUR '000	USD LIBOR
Cash and cash equivalents	0
Loans and advances to banks	203,631
Loans and advances to customers	69,690
Trading assets*	26,964
Financial assets	0
Assets held for sale	0
Carrying amounts as at 30 June 2022	**300,285**

*the carrying amount results entirely from positive market values of derivatives

EQUITY AND LIABILITIES

IN EUR '000	USD LIBOR
Amounts owed to banks	30,482
Amounts owed to customers	121,403
Trading liabilities*	6,499
Liabilities evidenced by certificates	36,703
Subordinated capital	0
Carrying amounts as at 30 June 2022	**195,087**

*the carrying amount results entirely from negative market values of derivatives

Raiffeisenlandesbank Oberösterreich uses micro fair value hedges and portfolio fair value hedges. Only a few individual cases in micro hedging are affected by the IBOR migration.

Non-significant modifications

Non-significant modifications in H1 2022:

IN EUR '000	Stage 1	Stage 2	Stage 3
Gross carrying amount before modification	30,047	18,952	0
Net modification effect	-30	59	0

The financial assets with non-significant modification recognised in the table above are related to interest rate changes and caused net modification effects of EUR 29 thousand in the first half of 2022.

In the first half of 2022, there were loan cases with a gross carrying amount of EUR 32,464 thousand that were modified in the past at a time when they were in Stage 2 or Stage 3 and whose classification changed from Stage 2 or Stage 3 to Stage 1 in the reporting period.

Non-significant modifications in H1 2021:

IN EUR '000	Stage 1	Stage 2	Stage 3
Gross carrying amount before modification	30,150	9,077	0
Net modification effect	-594	293	0

The financial assets with non-significant modification recognised in the table above are related to interest rate changes and caused net modification effects of EUR -301 thousand in the first half of 2021.

In the first half of 2021, there were no loan cases that were modified in the past at a time when they were in Stage 2 or Stage 3 and whose classification changed from Stage 2 or Stage 3 to Stage 1 in the reporting period.

Derecognition of financial assets in the “Measured at amortised cost” category

Financial assets in the category “At amortised cost” (AC) in the amount of EUR 1,483 thousand (H1 2021: EUR 313 thousand), for which specific valuation allowances had already been recognised in accordance with Stage 3, were sold in the first half of 2022. The derecognition resulted in profits in the amount of EUR +216 thousand (H1 2021: EUR +493 thousand) and losses in the amount of EUR 0 thousand (H1 2021: EUR 0 thousand), which are shown on the Income Statement under the item “Loan loss allowances”. In addition, there was derecognition in both the loan and securities portfolio due to amortisations and redemptions.

Possible effects of netting agreements

The following tables contain information on the offsetting effects on the consolidated interim statement of financial position and the financial implications of a set-off in the case of instruments which are subject to a netting framework agreement or a similar arrangement, as well as information on cash securities.

Assets

		Unrecognised amounts		
IN EUR '000	Financial assets (gross) = recognised financial assets (net)	Effect of offsetting framework agreements	Cash securities	Net amount
Loans and advances to banks	13,431,999	-92,075	-407,937	12,931,987
Positive fair values generated from derivative financial instruments	1,460,991	-917,051	-281,712	262,227
Total 30 June 2022	**14,892,990**	**-1,009,126**	**-689,649**	**13,194,214**

		Unrecognised amounts		
IN EUR '000	Financial assets (gross) = recognised financial assets (net)	Effect of offsetting framework agreements	Cash securities	Net amount
Loans and advances to banks	14,045,370	-95,616	-628,405	13,321,349
Positive fair values generated from derivative financial instruments	1,796,686	-785,146	-550,885	460,655
Total 31 Dec. 2021	**15,842,056**	**-880,762**	**-1,179,290**	**13,782,004**

Liabilities

		Unrecognised amounts		
IN EUR '000	Financial liabilities (gross) = recognised financial liabilities (net)	Effect of offsetting framework agreements	Cash securities	Net amount
Amounts owed to banks	20,301,258	-92,075	-281,615	19,927,568
Negative fair values from derivative financial instruments	1,392,041	-917,051	-408,034	66,956
Total 30 June 2022	**21,693,299**	**-1,009,126**	**-689,649**	**19,994,524**

		Unrecognised amounts		
IN EUR '000	Financial liabilities (gross) = recognised financial liabilities (net)	Effect of offsetting framework agreements	Cash securities	Net amount
Amounts owed to banks	20,267,675	-95,616	-550,726	19,621,333
Negative fair values from derivative financial instruments	1,443,914	-785,146	-628,564	30,204
Total 31 Dec. 2021	**21,711,589**	**-880,762**	**-1,179,290**	**19,651,537**

The column “Effect of offsetting framework agreements” shows the amounts that are the subject of a valid netting framework agreement, but are not billed because of the non-fulfilment of the prerequisites. Offsetting framework agreements are of particular relevance for counter-parties with several returns from derivatives. In the event of a counter-party defaulting, these agreements lead to a net settlement being made for all contracts.

The “Cash securities” column contains the amounts of cash securities received or given – with reference to the total for assets and liabilities. These securities instruments are allotted according to how the market values of derivatives develop (positively or negatively).

The offsetting possibilities within the remaining cash securities will also be taken into account in the disclosure of “cash securities” along with the offsetting of fair value surpluses with cash securities.

12. Cash and cash equivalents

IN EUR '000	30 June 2022	31 Dec. 2021
Cash in hand	37,731	38,325
Balances at central banks	86,765	91,863
Total	**124,496**	**130,188**

13. Loans and advances to banks

IN EUR '000	30 June 2022	31 Dec. 2021
Loans and advances to central banks	6,114,268	6,943,722
Payment on demand loans and advances to banks	4,704,043	4,889,055
Money market transactions	398,407	433,254
Loans to banks	1,905,130	1,558,613
Purchased receivables	310,150	220,727
Total	**13,431,999**	**14,045,370**
In Austria	12,590,496	13,143,392
Abroad	841,503	901,978
Total	**13,431,999**	**14,045,370**

14. Loans and advances to customers

IN EUR '000	30 June 2022	31 Dec. 2021
Money-market transactions	1,224,368	1,236,063
Loan transactions	21,712,971	20,910,479
Purchased receivables	899,377	784,640
Lease financing	2,412,830	2,339,225
Others	8,536	24,731
Total	**26,258,082**	**25,295,138**
In Austria	15,628,348	15,029,501
Abroad	10,629,734	10,265,637
Total	**26,258,082**	**25,295,138**

15. Loan loss allowances

Loan loss allowances 1 Jan. – 30 June 2022

IN EUR '000	As at 1 Jan. 2022	Allocations as a result of additions	Reversals as a result of disposals	Changes due to changed default risk*
Loans and advances to banks	**4,752**	**229**	**-390**	**-3,477**
thereof Stage 1 – Non POCI	4,445	227	-390	-3,448
thereof Stage 2 – Non POCI	15	2	0	-29
thereof Stage 3 – Non POCI	292	0	0	0
thereof POCI	0	0	0	0
Loans and advances to customers – excl. lease financing	**367,555**	**88,365**	**-75,304**	**39,774**
thereof Stage 1 – Non POCI	42,119	14,228	-3,529	-10,987
thereof Stage 2 – Non POCI	83,370	3,229	-4,718	28,303
thereof Stage 3 – Non POCI	236,831	70,908	-67,393	24,000
thereof POCI	5,235	0	336	-1,542
Loans and advances to customers – Lease financing	**45,499**	**2,174**	**-5,693**	**1,476**
thereof Stage 1 – Non POCI	2,301	1,355	-111	-422
thereof Stage 2 – Non POCI	6,226	278	-389	1,104
thereof Stage 3 – Non POCI	36,972	541	-5,193	794
thereof POCI	0	0	0	0
Financial assets – excluding FVOCI	**130**	**0**	**-13**	**36**
thereof Stage 1 – Non POCI	84	0	-13	36
thereof Stage 2 – Non POCI	46	0	0	0
thereof Stage 3 – Non POCI	0	0	0	0
thereof POCI	0	0	0	0
Financial assets – FVOCI	**2,879**	**48**	**-87**	**-1,001**
thereof Stage 1 – Non POCI	1,875	48	-56	-1,398
thereof Stage 2 – Non POCI	922	0	-30	170
thereof Stage 3 – Non POCI	0	0	-1	0
thereof POCI	82	0	0	227
Assets held for sale	**558**	**0**	**-475**	**64**
thereof Stage 1 – Non POCI	228	0	-197	0
thereof Stage 2 – Non POCI	330	0	-278	64
thereof Stage 3 – Non POCI	0	0	0	0
thereof POCI	0	0	0	0
Subtotal	**421,373**	**90,816**	**-81,962**	**36,872**
Provisions for off-balance-sheet obligations	**65,223**	**8,002**	**-6,222**	**-10,238**
thereof Stage 1 – Non POCI	10,672	6,334	-1,236	-1,047
thereof Stage 2 – Non POCI	7,948	799	-488	3,138
thereof Stage 3 – Non POCI	46,603	869	-4,498	-12,329
thereof POCI	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	**3**	**0**	**0**	**0**
thereof Stage 1 – Non POCI	3	0	0	0
thereof Stage 2 – Non POCI	0	0	0	0
thereof Stage 3 – Non POCI	0	0	0	0
thereof POCI	0	0	0	0
Total	**486,599**	**98,818**	**-88,184**	**26,634**

* in the case of POCI assets, these are changes in the respective net book value.

The additions and reversals also include effects which reduce the loan loss allowances from revaluations without an effect on profit or loss in connection with currency translations of foreign subsidiaries in the total amount of EUR -240 thousand.

Reclassifications due to stage transfer	Changes due to modification	Utilised	Change in basis of consolidation	Other adjustments	As at 30 June 2022
0	**0**	**-292**	**0**	**0**	**822**
-21	0	0	0	0	813
21	0	0	0	0	9
0	0	-292	0	0	0
0	0	0	0	0	0
0	**811**	**-6,032**	**0**	**66**	**415,236**
15,980	32	0	0	6	57,849
-15,929	726	0	0	1	94,982
-51	53	-6,032	0	59	258,376
0	0	0	0	0	4,029
0	**0**	**-990**	**0**	**0**	**42,466**
656	0	0	0	0	3,779
-958	0	0	0	0	6,261
302	0	-990	0	0	32,426
0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**152**
45	0	0	0	0	152
-45	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**1,839**
229	0	0	0	0	698
-230	0	0	0	0	832
1	0	0	0	0	0
0	0	0	0	0	309
0	**0**	**0**	**0**	**-66**	**81**
-25	0	0	0	-6	0
25	0	0	0	-60	81
0	0	0	0	0	0
0	0	0	0	0	0
0	**811**	**-7,314**	**0**	**0**	**460,596**
0	**0**	**0**	**0**	**3**	**56,769**
1,583	0	0	0	3	16,310
217	0	0	0	0	11,614
-1,800	0	0	0	0	28,845
0	0	0	0	0	0
0	**0**	**0**	**0**	**-3**	**0**
0	0	0	0	-3	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	**811**	**-7,314**	**0**	**0**	**517,365**

Loan loss allowances 1 Jan. – 30 June 2021

IN EUR '000	As at 1 Jan. 2021	Allocations as a result of additions	Reversals as a result of disposals	Changes due to changed default risk*
Loans and advances to banks	**15,500**	**561**	**-1,230**	**-7,396**
thereof Stage 1 – Non POCI	6,738	560	-522	-2,099
thereof Stage 2 – Non POCI	8,470	1	-708	-5,297
thereof Stage 3 – Non POCI	292	0	0	0
thereof POCI	0	0	0	0
Loans and advances to customers – excl. lease financing	**323,918**	**77,343**	**-51,217**	**-2,840**
thereof Stage 1 – Non POCI	40,299	6,810	-3,812	-5,304
thereof Stage 2 – Non POCI	74,766	4,704	-3,287	3,550
thereof Stage 3 – Non POCI	219,958	65,394	-54,516	-193
thereof POCI	-11,105	435	10,398	-893
Loans and advances to customers – Lease financing	**47,125**	**1,175**	**-2,856**	**1,872**
thereof Stage 1 – Non POCI	1,720	820	-59	-258
thereof Stage 2 – Non POCI	5,480	66	-140	64
thereof Stage 3 – Non POCI	39,925	289	-2,657	2,066
thereof POCI	0	0	0	0
Financial assets – excluding FVOCI	**201**	**20**	**-86**	**1**
thereof Stage 1 – Non POCI	121	20	-41	5
thereof Stage 2 – Non POCI	80	0	-45	-4
thereof Stage 3 – Non POCI	0	0	0	0
thereof POCI	0	0	0	0
Financial assets – FVOCI	**8,000**	**317**	**-194**	**-5,339**
thereof Stage 1 – Non POCI	2,941	241	-178	-4,642
thereof Stage 2 – Non POCI	5,059	76	-16	-755
thereof Stage 3 – Non POCI	0	0	0	0
thereof POCI	0	0	0	58
Assets held for sale	**0**	**128**	**-90**	**526**
thereof Stage 1 – Non POCI	0	117	-4	-26
thereof Stage 2 – Non POCI	0	9	-12	-40
thereof Stage 3 – Non POCI	0	2	-74	592
thereof POCI	0	0	0	0
Subtotal	**394,744**	**79,544**	**-55,673**	**-13,176**
Provisions for off-balance-sheet obligations	**59,451**	**6,050**	**-3,697**	**-5,502**
thereof Stage 1 – Non POCI	9,493	2,863	-2,040	-7,706
thereof Stage 2 – Non POCI	10,594	1,115	-320	-1,233
thereof Stage 3 – Non POCI	39,364	2,072	-1,337	3,437
thereof POCI	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**0**	**-6**	**-4**
thereof Stage 1 – Non POCI	0	0	-6	0
thereof Stage 2 – Non POCI	0	0	0	0
thereof Stage 3 – Non POCI	0	0	0	-4
thereof POCI	0	0	0	0
Total	**454,195**	**85,594**	**-59,376**	**-18,682**

* in the case of POCI assets, these are changes in the respective net book value.

The additions and reversals also include effects which reduce the loan loss allowances from revaluations without an effect on profit or loss in connection with Currency translations of foreign subsidiaries in the total amount of EUR 33 thousand.

Reclassifications due to stage transfer	Changes due to modification	Utilised	Change in basis of consolidation	Other adjustments	As at 30 June 2021
0	**0**	**0**	**0**	**0**	**7,435**
135	0	0	0	0	4,812
-135	0	0	0	0	2,331
0	0	0	0	0	292
0	0	0	0	0	0
0	**37**	**-14,450**	**0**	**-3,575**	**329,216**
5,349	37	-1	0	-321	43,057
-4,653	0	-2	0	-373	74,705
-696	0	-14,447	0	-2,881	212,619
0	0	0	0	0	-1,165
0	**0**	**-2,794**	**-11**	**-6,113**	**38,398**
-104	0	0	-11	-106	2,002
167	0	0	0	-456	5,181
-63	0	-2,794	0	-5,551	31,215
0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**136**
0	0	0	0	0	106
0	0	0	0	0	30
0	0	0	0	0	0
0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**2,784**
4,201	0	0	0	0	2,563
-4,201	0	0	0	0	163
0	0	0	0	0	0
0	0	0	0	0	58
0	**0**	**-487**	**0**	**9,688**	**9,765**
-9	0	0	0	427	505
6	0	0	0	829	792
3	0	-487	0	8,432	8,468
0	0	0	0	0	0
0	**37**	**-17,731**	**-11**	**0**	**387,734**
0	**0**	**0**	**0**	**-17**	**56,285**
7,868	0	0	0	-12	10,466
-1,984	0	0	0	-1	8,171
-5,884	0	0	0	-4	37,648
0	0	0	0	0	0
0	**0**	**0**	**0**	**17**	**7**
0	0	0	0	12	6
0	0	0	0	1	1
0	0	0	0	4	0
0	0	0	0	0	0
0	**37**	**-17,731**	**-11**	**0**	**444,026**

Significant changes in the gross carrying amount for 1 Jan. – 30 June 2022:

Gross carrying amounts IN EUR '000	As at 1 Jan. 2022	Additions, disposals, balance changes	Reclassifications due to stage transfer	Utilised	Direct amortisations	Change in the scope of consolidation	Other adjustments	As at 30 June 2022
Loans and advances to banks	**13,817,445**	**-593,632**	**0**	**-292**	**0**	**1,776**	**0**	**13,225,297**
thereof Stage 1 – Non POCI	13,812,756	-593,689	-2,437	0	0	1,776	0	13,218,406
thereof Stage 2 – Non POCI	4,397	57	2,437	0	0	0	0	6,891
thereof Stage 3 – Non POCI	292	0	0	-292	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Loans and advances to customers – excl. lease financing	**23,123,993**	**986,481**	**0**	**-6,032**	**-513**	**0**	**226**	**24,104,155**
thereof Stage 1 – Non POCI	17,861,729	1,390,991	-337,803	0	0	0	1,928	18,916,845
thereof Stage 2 – Non POCI	4,518,839	-404,495	272,753	0	0	0	-2,388	4,384,709
thereof Stage 3 – Non POCI	710,548	3,339	65,050	-6,032	-508	0	686	773,083
thereof POCI	32,877	-3,354	0	0	-5	0	0	29,518
Loans and advances to customers – Lease financing	**2,384,724**	**71,562**	**0**	**-990**	**0**	**0**	**0**	**2,455,296**
thereof Stage 1 – Non POCI	1,627,663	193,032	18,065	0	0	0	0	1,838,760
thereof Stage 2 – Non POCI	648,468	-95,608	-39,741	0	0	0	0	513,119
thereof Stage 3 – Non POCI	108,593	-25,862	21,676	-990	0	0	0	103,417
thereof POCI	0	0	0	0	0	0	0	0
Financial assets – excluding FVOCI	**146,697**	**-15,666**	**0**	**0**	**0**	**0**	**0**	**131,031**
thereof Stage 1 – Non POCI	143,691	-12,660	0	0	0	0	0	131,031
thereof Stage 2 – Non POCI	3,006	-3,006	0	0	0	0	0	0
thereof Stage 3 – Non POCI	0	0	0	0	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Financial assets – FVOCI	**4,156,493**	**-161,384**	**0**	**0**	**-1,413**	**0**	**0**	**3,993,696**
thereof Stage 1 – Non POCI	4,121,033	-146,789	-3,491	0	0	0	0	3,970,753
thereof Stage 2 – Non POCI	33,531	-14,421	1,548	0	0	0	0	20,658
thereof Stage 3 – Non POCI	217	-174	1,943	0	-1,413	0	0	573
thereof POCI	1,712	0	0	0	0	0	0	1,712
Assets held for sale	**44,214**	**-39,674**	**0**	**0**	**0**	**0**	**-226**	**4,314**
thereof Stage 1 – Non POCI	33,961	-24,657	-7,281	0	0	0	-1,998	25
thereof Stage 2 – Non POCI	10,253	-15,017	7,281	0	0	0	1,772	4,289
thereof Stage 3 – Non POCI	0	0	0	0	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Subtotal	**43,673,566**	**247,687**	**0**	**-7,314**	**-1,926**	**1,776**	**0**	**43,913,789**
Off-balance-sheet commitments	**10,095,438**	**872,047**	**0**	**0**	**0**	**0**	**865**	**10,968,350**
thereof Stage 1 – Non POCI	8,637,142	1,059,187	101,923	0	0	0	865	9,799,117
thereof Stage 2 – Non POCI	1,364,900	-159,926	-106,388	0	0	0	0	1,098,586
thereof Stage 3 – Non POCI	93,396	-27,214	4,465	0	0	0	0	70,647
thereof POCI	0	0	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	**923**	**-58**	**0**	**0**	**0**	**0**	**-865**	**0**
thereof Stage 1 – Non POCI	923	-58	0	0	0	0	-865	0
thereof Stage 2 – Non POCI	0	0	0	0	0	0	0	0
thereof Stage 3 – Non POCI	0	0	0	0	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Total	**53,769,927**	**1,119,676**	**0**	**-7,314**	**-1,926**	**1,776**	**0**	**54,882,139**

Significant changes in the gross carrying amount for 1 Jan. – 30 June 2021:

Gross carrying amounts IN EUR '000	As at 1 Jan. 2021	Additions, disposals, balance changes	Reclassifications due to stage transfer	Utilised	Direct amortisations	Change in the scope of consolidation	Other adjustments	As at 30 June 2021
Loans and advances to banks	**10,993,074**	**2,569,195**	**0**	**0**	**0**	**0**	**-2,991**	**13,559,278**
thereof Stage 1 – Non POCI	10,867,873	2,596,613	12,281	0	0	0	-2,686	13,474,081
thereof Stage 2 – Non POCI	124,909	-27,418	-12,281	0	0	0	-305	84,905
thereof Stage 3 – Non POCI	292	0	0	0	0	0	0	292
thereof POCI	0	0	0	0	0	0	0	0
Loans and advances to customers – excl. lease financing	**22,535,333**	**-35,016**	**0**	**-14,450**	**-475**	**0**	**-132,823**	**22,352,569**
thereof Stage 1 – Non POCI	17,617,538	223,993	-58,911	-1	-6	0	-94,089	17,688,524
thereof Stage 2 – Non POCI	4,358,760	-219,143	-1,230	-2	-1	0	-34,821	4,103,563
thereof Stage 3 – Non POCI	502,287	-27,852	60,141	-14,447	-468	0	-3,913	515,748
thereof POCI	56,748	-12,014	0	0	0	0	0	44,734
Loans and advances to customers – Lease financing	**2,358,159**	**47,852**	**0**	**-2,794**	**0**	**0**	**-105,766**	**2,297,451**
thereof Stage 1 – Non POCI	1,502,723	210,007	-178,655	0	0	0	-46,014	1,488,061
thereof Stage 2 – Non POCI	749,103	-138,936	138,691	0	0	0	-49,619	699,239
thereof Stage 3 – Non POCI	106,333	-23,219	39,964	-2,794	0	0	-10,133	110,151
thereof POCI	0	0	0	0	0	0	0	0
Financial assets – excluding FVOCI	**190,263**	**-36,186**	**0**	**0**	**0**	**0**	**0**	**154,077**
thereof Stage 1 – Non POCI	166,409	-15,360	0	0	0	0	0	151,049
thereof Stage 2 – Non POCI	23,854	-20,826	0	0	0	0	0	3,028
thereof Stage 3 – Non POCI	0	0	0	0	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Financial assets – FVOCI	**4,325,195**	**-43,795**	**0**	**0**	**0**	**0**	**0**	**4,281,400**
thereof Stage 1 – Non POCI	4,054,260	101,602	97,435	0	0	0	0	4,253,297
thereof Stage 2 – Non POCI	268,846	-145,133	-97,435	0	0	0	0	26,278
thereof Stage 3 – Non POCI	878	-266	0	0	0	0	0	612
thereof POCI	1,211	2	0	0	0	0	0	1,213
Assets held for sale	**0**	**5,686**	**0**	**-487**	**0**	**0**	**241,580**	**246,779**
thereof Stage 1 – Non POCI	0	10,834	0	0	0	0	142,789	153,623
thereof Stage 2 – Non POCI	0	-6,304	0	0	0	0	84,745	78,441
thereof Stage 3 – Non POCI	0	1,156	0	-487	0	0	14,046	14,715
thereof POCI	0	0	0	0	0	0	0	0
Subtotal	**40,402,024**	**2,507,736**	**0**	**-17,731**	**-475**	**0**	**0**	**42,891,554**
Off-balance-sheet commitments	**9,866,718**	**287,407**	**0**	**0**	**0**	**0**	**-13,155**	**10,140,970**
thereof Stage 1 – Non POCI	8,239,954	432,365	190,842	0	0	0	-10,438	8,852,723
thereof Stage 2 – Non POCI	1,503,108	-120,586	-166,365	0	0	0	-2,717	1,213,440
thereof Stage 3 – Non POCI	123,656	-24,372	-24,477	0	0	0	0	74,807
thereof POCI	0	0	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**921**	**0**	**0**	**0**	**0**	**13,155**	**14,076**
thereof Stage 1 – Non POCI	0	-227	0	0	0	0	10,438	10,211
thereof Stage 2 – Non POCI	0	1,148	0	0	0	0	2,717	3,865
thereof Stage 3 – Non POCI	0	0	0	0	0	0	0	0
thereof POCI	0	0	0	0	0	0	0	0
Total	**50,268,742**	**2,796,064**	**0**	**-17,731**	**-475**	**0**	**0**	**53,046,600**

Sensitivity information on loan loss allowances in Stages 1 and 2

In accordance with IFRS 9, “forward looking information” – meaning macroeconomic forecasts – is used to calculate the balance sheet loan loss allowances. Based on this, statistical models are used to determine the IFRS 9 risk parameters and subsequently the balance sheet loan loss allowances. Both the macroeconomic forecasts and the calculated risk parameters are subject to estimation uncertainty in the model. In order to be able to better assess and estimate this uncertainty due to changed parameters, Raiffeisenlandesbank Oberösterreich calculates sensitivity analyses of the balance sheet loan loss allowances in Stages 1 and 2 and presents them on the following pages. Due to the uncertain economic outlook in the current macroeconomic environment, the sensitivity of balance sheet risk provisions in Stage 1 and 2 is a particular focus.

In this context, it is noted that the further development of the model in the Corporates segment decided by Raiffeisenlandesbank Oberösterreich as of the first half of 2022 has an influence on the sensitivity analyses for the GDP shift. The impact is based on the introduction of an upper limit for default rate forecasts in the Corporates division. Further details on the further development of the model can be found in the “Accounting & Valuation Methods” section. As at the reporting date 30 June 2022, realisations are in use until Q1 2022 for the macroeconomic factors used. These are no longer affected by a GDP or property price shift and therefore remain unchanged for the sensitivity analysis. The shift to the macroeconomic forecasts will only take effect from the second quarter of 2022.

GDP shift: +/-1% point: from Raiffeisenlandesbank Oberösterreich's perspective, GDP represents one of the most important macroeconomic parameters and is the central explanatory variable in most of Raiffeisenlandesbank Oberösterreich's IFRS 9 PD models. It was therefore identified as a relevant parameter for the sensitivity analysis. The one percentage point shift in the annual GDP growth rate is used to show the sensitivity to the PD risk parameter. A parallel shift is performed on all annual GDP forecast values. For quarterly GDP growth rates, the 1% point shift is evenly distributed over one year, taking into account the statistical overhang. The parallel shift over the entire forecast horizon is used to avoid applying shifts with different effects to models with different time lags. Based on the changed GDP growth rates, alternative IFRS 9 PDs are determined, which are subsequently used for staging and for the calculation of the balance sheet loan loss allowances per shift scenario. The amount of the shift was chosen on the basis of an expert estimate and represents a mean change in the risk parameters.

Real estate price shift +/-5% points: the fluctuation of the real estate price growth rate is the central explanatory factor in the IFRS 9 LGD models of Raiffeisenlandesbank Oberösterreich and was therefore identified as a relevant parameter for the sensitivity analysis. Specifically, both the current projected property price growth rate per year and the property collateral are reduced or increased by 5% points. This results in an indirect shift of the IFRS 9 LGD and thus increased or reduced balance sheet loan loss allowances. The amount of the shift was chosen on the basis of an expert estimate and represents a mean change in the risk parameters.

Sensitivity analysis for Gross Domestic Product (GDP) as at 30 June 2022

IN EUR '000	As at 30 June 2022	Delta	Status PD GDP -1% point
Loans and advances to banks	**822**	**343**	**1,165**
thereof Stage 1 – Non POCI	813	343	1,156
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	9	0	9
Loans and advances to customers – excl. lease financing	**152,831**	**1,442**	**154,273**
thereof Stage 1 – Non POCI	57,447	3	57,450
thereof Stage 1 with transfer in Stage 2 – Non POCI	402	975	1,377
thereof Stage 2 – Non POCI	94,982	464	95,446
Loans and advances to customers – Lease financing	**10,040**	**47**	**10,087**
thereof Stage 1 – Non POCI	3,762	1	3,763
thereof Stage 1 with transfer in Stage 2 – Non POCI	17	15	32
thereof Stage 2 – Non POCI	6,261	31	6,292
Financial assets – excluding FVOCI	**152**	**0**	**152**
thereof Stage 1 – Non POCI	152	0	152
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Financial assets – FVOCI	**1,530**	**385**	**1,915**
thereof Stage 1 – Non POCI	696	68	764
thereof Stage 1 with transfer in Stage 2 – Non POCI	2	158	160
thereof Stage 2 – Non POCI	832	159	991
Assets held for sale	**81**	**1**	**82**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	81	1	82
Subtotal	**165,456**	**2,218**	**167,674**
Provisions for off-balance-sheet obligations	**27,924**	**98**	**28,022**
thereof Stage 1 – Non POCI	16,308	73	16,381
thereof Stage 1 with transfer in Stage 2 – Non POCI	2	5	7
thereof Stage 2 – Non POCI	11,614	20	11,634
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**0**	**0**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**193,380**	**2,316**	**195,696**

IN EUR '000	As at 30 June 2022	Delta	Stand PD GDP +1 % Point
Loans and advances to banks	**822**	**-226**	**596**
thereof Stage 1 – Non POCI	813	-226	587
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	9	0	9
Loans and advances to customers – excl. lease financing	**152,831**	**-1,394**	**151,437**
thereof Stage 1 – Non POCI	57,849	-2	57,847
thereof Stage 2 with transfer in Stage 1 – Non POCI	1,281	-953	328
thereof Stage 2 – Non POCI	93,701	-439	93,262
Loans and advances to customers – Lease financing	**10,040**	**-39**	**10,001**
thereof Stage 1 – Non POCI	3,779	0	3,779
thereof Stage 2 with transfer in Stage 1 – Non POCI	20	-9	11
thereof Stage 2 – Non POCI	6,241	-30	6,211
Financial assets – excluding FVOCI	**152**	**0**	**152**
thereof Stage 1 – Non POCI	152	0	152
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Financial assets – FVOCI	**1,530**	**-405**	**1,125**
thereof Stage 1 – Non POCI	698	-45	653
thereof Stage 2 with transfer in Stage 1 – Non POCI	363	-358	5
thereof Stage 2 – Non POCI	469	-2	467
Assets held for sale	**81**	**-1**	**80**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	81	-1	80
Subtotal	**165,456**	**-2,065**	**163,391**
Provisions for off-balance-sheet obligations	**27,924**	**-88**	**27,836**
thereof Stage 1 – Non POCI	16,310	-48	16,262
thereof Stage 2 with transfer in Stage 1 – Non POCI	27	-20	7
thereof Stage 2 – Non POCI	11,587	-20	11,567
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**0**	**0**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**193,380**	**-2,153**	**191,227**

Sensitivity analysis for Gross Domestic Product (GDP) as at 31 December 2021

IN EUR '000	As at 31 Dec. 2021	Delta	Status PD GDP -1% point
Loans and advances to banks	**4,460**	**2,180**	**6,640**
thereof Stage 1 – Non POCI	4,423	2,161	6,584
thereof Stage 1 with transfer in Stage 2 – Non POCI	22	11	33
thereof Stage 2 – Non POCI	15	8	23
Loans and advances to customers – excl. lease financing	**125,489**	**1,031**	**126,520**
thereof Stage 1 – Non POCI	41,826	16	41,842
thereof Stage 1 with transfer in Stage 2 – Non POCI	293	394	687
thereof Stage 2 – Non POCI	83,370	621	83,991
Loans and advances to customers – Lease financing	**8,527**	**49**	**8,576**
thereof Stage 1 – Non POCI	2,292	0	2,292
thereof Stage 1 with transfer in Stage 2 – Non POCI	9	15	24
thereof Stage 2 – Non POCI	6,226	34	6,260
Financial assets – excluding FVOCI	**129**	**0**	**129**
thereof Stage 1 – Non POCI	84	0	84
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	45	0	45
Financial assets – FVOCI	**2,797**	**643**	**3,440**
thereof Stage 1 – Non POCI	1,875	588	2,463
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	922	55	977
Assets held for sale	**558**	**2**	**560**
thereof Stage 1 – Non POCI	228	0	228
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	330	2	332
Subtotal	**141,960**	**3,905**	**145,865**
Provisions for off-balance-sheet obligations	**18,621**	**324**	**18,945**
thereof Stage 1 – Non POCI	10,638	273	10,911
thereof Stage 1 with transfer in Stage 2 – Non POCI	35	6	41
thereof Stage 2 – Non POCI	7,948	45	7,993
Held for sale in accordance with IFRS 5 – off balance sheet	**3**	**0**	**3**
thereof Stage 1 – Non POCI	3	0	3
thereof Stage 1 with transfer in Stage 2 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**160,584**	**4,229**	**164,813**

IN EUR '000	As at 31 Dec. 2021	Delta	Stand PD GDP +1 % Point
Loans and advances to banks	**4,460**	**-1,452**	**3,008**
thereof Stage 1 – Non POCI	4,445	-1,447	2,998
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	15	-5	10
Loans and advances to customers – excl. lease financing	**125,489**	**-1,580**	**123,909**
thereof Stage 1 – Non POCI	42,119	-10	42,109
thereof Stage 2 with transfer in Stage 1 – Non POCI	1,306	-950	356
thereof Stage 2 – Non POCI	82,064	-620	81,444
Loans and advances to customers – Lease financing	**8,527**	**-50**	**8,477**
thereof Stage 1 – Non POCI	2,301	0	2,301
thereof Stage 2 with transfer in Stage 1 – Non POCI	22	-15	7
thereof Stage 2 – Non POCI	6,204	-35	6,169
Financial assets – excluding FVOCI	**129**	**0**	**129**
thereof Stage 1 – Non POCI	84	0	84
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	45	0	45
Financial assets – FVOCI	**2,797**	**-973**	**1,824**
thereof Stage 1 – Non POCI	1,875	-392	1,483
thereof Stage 2 with transfer in Stage 1 – Non POCI	637	-577	60
thereof Stage 2 – Non POCI	285	-4	281
Assets held for sale	**558**	**-3**	**555**
thereof Stage 1 – Non POCI	228	0	228
thereof Stage 2 with transfer in Stage 1 – Non POCI	2	-1	1
thereof Stage 2 – Non POCI	328	-2	326
Subtotal	**141,960**	**-4,058**	**137,902**
Provisions for off-balance-sheet obligations	**18,621**	**-223**	**18,398**
thereof Stage 1 – Non POCI	10,673	-182	10,491
thereof Stage 2 with transfer in Stage 1 – Non POCI	27	-9	18
thereof Stage 2 – Non POCI	7,921	-32	7,889
Held for sale in accordance with IFRS 5 – off balance sheet	**3**	**0**	**3**
thereof Stage 1 – Non POCI	3	0	3
thereof Stage 2 with transfer in Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**160,584**	**-4,281**	**156,303**

Sensitivity analysis for real estate prices as at 30 June 2022

IN EUR '000	As at 30 June 2022	Delta	Status LGD real estate price -5 percent-age points
Loans and advances to banks	**822**	**2**	**824**
thereof Stage 1 – Non POCI	813	0	813
thereof Stage 2 – Non POCI	9	2	11
Loans and advances to customers – excl. lease financing	**152,831**	**13,987**	**166,818**
thereof Stage 1 – Non POCI	57,849	5,343	63,192
thereof Stage 2 – Non POCI	94,982	8,644	103,626
Loans and advances to customers – Lease financing	**10,040**	**78**	**10,118**
thereof Stage 1 – Non POCI	3,779	45	3,824
thereof Stage 2 – Non POCI	6,261	33	6,294
Financial assets – excluding FVOCI	**152**	**0**	**152**
thereof Stage 1 – Non POCI	152	0	152
thereof Stage 2 – Non POCI	0	0	0
Financial assets – FVOCI	**1,530**	**0**	**1,530**
thereof Stage 1 – Non POCI	698	0	698
thereof Stage 2 – Non POCI	832	0	832
Assets held for sale	**81**	**9**	**90**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	81	9	90
Subtotal	**165,456**	**14,076**	**179,532**
Provisions for off-balance-sheet obligations	**27,924**	**705**	**28,629**
thereof Stage 1 – Non POCI	16,310	361	16,671
thereof Stage 2 – Non POCI	11,614	344	11,958
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**0**	**0**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**193,380**	**14,781**	**208,161**

IN EUR '000	As at 30 June 2022	Delta	Status LGD real estate price +5 percent-age points
Loans and advances to banks	**822**	**-2**	**820**
thereof Stage 1 – Non POCI	813	0	813
thereof Stage 2 – Non POCI	9	-2	7
Loans and advances to customers – excl. lease financing	**152,831**	**-14,329**	**138,502**
thereof Stage 1 – Non POCI	57,849	-5,433	52,416
thereof Stage 2 – Non POCI	94,982	-8,896	86,086
Loans and advances to customers – Lease financing	**10,040**	**-60**	**9,980**
thereof Stage 1 – Non POCI	3,779	-28	3,751
thereof Stage 2 – Non POCI	6,261	-32	6,229
Financial assets – excluding FVOCI	**152**	**0**	**152**
thereof Stage 1 – Non POCI	152	0	152
thereof Stage 2 – Non POCI	0	0	0
Financial assets – FVOCI	**1,530**	**0**	**1,530**
thereof Stage 1 – Non POCI	698	0	698
thereof Stage 2 – Non POCI	832	0	832
Assets held for sale	**81**	**-9**	**72**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	81	-9	72
Subtotal	**165,456**	**-14,400**	**151,056**
Provisions for off-balance-sheet obligations	**27,924**	**-726**	**27,198**
thereof Stage 1 – Non POCI	16,310	-372	15,938
thereof Stage 2 – Non POCI	11,614	-354	11,260
Held for sale in accordance with IFRS 5 – off balance sheet	**0**	**0**	**0**
thereof Stage 1 – Non POCI	0	0	0
thereof Stage 2 – Non POCI	0	0	0
Total	**193,380**	**-15,126**	**178,254**

Sensitivity analysis for real estate prices as at 31 Dec. 2021

IN EUR '000	As at 31 Dec. 2021	Delta	Status LGD real estate price -5 percent-age points
Loans and advances to banks	**4,460**	**0**	**4,460**
thereof Stage 1 – Non POCI	4,445	0	4,445
thereof Stage 2 – Non POCI	15	0	15
Loans and advances to customers – excl. lease financing	**125,489**	**10,680**	**136,169**
thereof Stage 1 – Non POCI	42,119	3,551	45,670
thereof Stage 2 – Non POCI	83,370	7,129	90,499
Loans and advances to customers – Lease financing	**8,527**	**56**	**8,583**
thereof Stage 1 – Non POCI	2,301	17	2,318
thereof Stage 2 – Non POCI	6,226	39	6,265
Financial assets – excluding FVOCI	**129**	**0**	**129**
thereof Stage 1 – Non POCI	84	0	84
thereof Stage 2 – Non POCI	45	0	45
Financial assets – FVOCI	**2,797**	**0**	**2,797**
thereof Stage 1 – Non POCI	1,875	0	1,875
thereof Stage 2 – Non POCI	922	0	922
Assets held for sale	**558**	**74**	**632**
thereof Stage 1 – Non POCI	228	27	255
thereof Stage 2 – Non POCI	330	47	377
Subtotal	**141,960**	**10,810**	**152,770**
Provisions for off-balance-sheet obligations	**18,621**	**565**	**19,186**
thereof Stage 1 – Non POCI	10,673	200	10,873
thereof Stage 2 – Non POCI	7,948	365	8,313
Held for sale in accordance with IFRS 5 – off balance sheet	**3**	**0**	**3**
thereof Stage 1 – Non POCI	3	0	3
thereof Stage 2 – Non POCI	0	0	0
Total	**160,584**	**11,375**	**171,959**

IN EUR '000	As at 31 Dec. 2021	Delta	Status LGD real estate price +5 percent-age points
Loans and advances to banks	**4,460**	**0**	**4,460**
thereof Stage 1 – Non POCI	4,445	0	4,445
thereof Stage 2 – Non POCI	15	0	15
Loans and advances to customers – excl. lease financing	**125,489**	**-10,327**	**115,162**
thereof Stage 1 – Non POCI	42,119	-3,441	38,678
thereof Stage 2 – Non POCI	83,370	-6,886	76,484
Loans and advances to customers – Lease financing	**8,527**	**-49**	**8,478**
thereof Stage 1 – Non POCI	2,301	-14	2,287
thereof Stage 2 – Non POCI	6,226	-35	6,191
Financial assets – excluding FVOCI	**129**	**0**	**129**
thereof Stage 1 – Non POCI	84	0	84
thereof Stage 2 – Non POCI	45	0	45
Financial assets – FVOCI	**2,797**	**0**	**2,797**
thereof Stage 1 – Non POCI	1,875	0	1,875
thereof Stage 2 – Non POCI	922	0	922
Assets held for sale	**558**	**-72**	**486**
thereof Stage 1 – Non POCI	228	-26	202
thereof Stage 2 – Non POCI	330	-46	284
Subtotal	**141,960**	**-10,448**	**131,512**
Provisions for off-balance-sheet obligations	**18,621**	**-544**	**18,077**
thereof Stage 1 – Non POCI	10,673	-193	10,480
thereof Stage 2 – Non POCI	7,948	-351	7,597
Held for sale in accordance with IFRS 5 – off balance sheet	**3**	**0**	**3**
thereof Stage 1 – Non POCI	3	0	3
thereof Stage 2 – Non POCI	0	0	0
Total	**160,584**	**-10,992**	**149,592**

16. Trading assets

IN EUR '000	30 June 2022	31 Dec. 2021
Bonds and other fixed-income securities	**6,747**	**3,751**
Municipal bonds that can be refinanced	0	0
Other public-sector debt instruments	0	0
Bonds and debt securities from other issuers	6,747	3,751
Positive fair values from derivative transactions	**1,460,991**	**1,796,686**
Interest rate transactions	1,327,086	1,690,373
Currency exchange transactions	133,905	106,313
Stock- and index-related business	0	0
Other transactions	0	0
Total	**1,467,738**	**1,800,437**

17. Financial assets

Financial assets in the category "Measured at fair value through profit or loss" (FVTPL)

IN EUR '000	30 June 2022	31 Dec. 2021
Bonds and other fixed-income securities	**505**	**541**
Municipal bonds that can be refinanced	0	0
Other public-sector debt instruments	0	0
Bonds and debt securities from other issuers	505	541
Shares and other variable-yield securities	**449,502**	**428,663**
Shares	14,347	20,214
Investment fund units/shares	2,151	2,423
Other variable yield securities	433,003	406,026
Shares in companies	**413,385**	**413,825**
Interests in affiliated companies	113,266	115,550
Other investments	300,119	298,275
Total	**863,392**	**843,029**

Financial assets in the category "Designated at fair value through profit or loss" (FVO)

IN EUR '000	30 June 2022	31 Dec. 2021
Bonds and other fixed-income securities	**45,374**	**142,670**
Municipal bonds that can be refinanced	17,579	18,207
Other public-sector debt instruments	0	0
Bonds and debt securities from other issuers	27,796	124,463
Total	**45,374**	**142,670**

Financial assets in the category “Measured at fair value through other comprehensive income” (FVOCI)

IN EUR ’000	30 June 2022	31 Dec. 2021
Bonds and other fixed-income securities	**3,824,056**	**4,353,489**
Municipal bonds that can be refinanced	2,079,956	2,478,539
Other public-sector debt instruments	0	0
Bonds and debt securities from other issuers	1,744,100	1,874,950
Total	**3,824,056**	**4,353,489**

Financial assets in the category “Measured at amortised cost” (AC)

IN EUR ’000	30 June 2022	31 Dec. 2021
Bonds and other fixed-income securities	**130,878**	**146,568**
Municipal bonds that can be refinanced	0	0
Other public-sector debt instruments	0	0
Bonds and debt securities from other issuers	130,878	146,568
Total	**130,878**	**146,568**

18. Equity-accounted companies

IN EUR ’000	30 June 2022	31 Dec. 2021
Banks	1,277,462	1,376,621
Non-banks	696,591	897,837
Total	**1,974,053**	**2,274,458**

Among other items, the share of Raiffeisenlandesbank Oberösterreich in the Raiffeisen Bank International (RBI) Group in the amount of approximately 9.5% (31 December 2021: approximately 9.5%) is reported under credit institutions accounted for using the equity method. Raiffeisenlandesbank Oberösterreich exerts a significant influence on this investment because the Chief Executive Officer of Raiffeisenlandesbank Oberösterreich, Heinrich Schaller, is a member of the RBI Supervisory Board and as Deputy Chairman of the Supervisory Board is an active participant in the strategic decisions made.

The war in Ukraine due to the Russian invasion, the sanctions and the unclear outlook also have far-reaching effects for RBI, which has a presence in Russia, Ukraine and Belarus with its own subsidiary banks. RBI's subsidiary banks are self-financed, well capitalised and only have insignificant cross-border risk positions in relation to Russia. However, RBI feels compelled to reconsider its position in Russia in view of the current situation as well as the expected changes. All strategic options for the future of Raiffeisenbank in Russia are therefore being examined, including a carefully managed exit. The consolidated result increased significantly year-on-year by 180% to EUR 1,712 million. The sale of the Bulgarian subsidiary bank contributed a total of EUR 453 million to the result. Net interest income increased by 46% due to strong growth in customer loans and rising interest rates. Net fee and commission income, influenced by the current geopolitical situation as well as the regulations of the Russian Central Bank (including foreign exchange restrictions, forced conversion), increased by 73% year-on-year. Risk costs amounted to EUR 561 million in the reporting period, with Russia accounting for EUR 266 million and Ukraine for EUR 201 million of this. The NPE ratio of 1.6% remained unchanged compared to the end of last year as well as year-on-year. The NPE coverage ratio decreased from 62.5% at year-end to 60.7% at 30 June 2022. General administrative expenses increased by 19% year-on-year. The 56% increase in core income led to a significant improvement in the cost/income ratio from 54.4% to 39.7% year-on-year. The CET 1 ratio was 13.4% as at 30 June 2022, including 75 basis points from the sale of the Bulgarian entity and despite RWA increases and higher risk costs in Eastern Europe. The Group return on equity of 25.5% increased by 16 percentage points year-on-year.

Due to a quoted market price that was significantly below the carrying amount of the investment, the holding in the RBI Group was subjected to an impairment test as at 30 June 2022. The fair value less sales costs as at 30 June 2022 was determined to be EUR 10.34 per share, based on the stock exchange rate of RBI on the Vienna Stock Exchange (31 December 2021: EUR 25.88 per share). The company valuation was calculated based on the present value of the cash flow to be expected (discounted cash flow procedure) of the companies in the Group taking into account the adjustments required for the purpose of calculating the value in use.

The valuation contains two scenarios: a "rapid end to the war" and a "prolonged crisis", with each calculated in three variants (low, mid and high case), whereby a scenario-weighted enterprise value (mid case) was used as the expected value and therefore the value in use. The discounting of the cash flow that can be achieved with the valuation object was undertaken with the aid of a risk-adequate capitalisation interest rate. A cost of equity after tax of 13.65% (31 December 2021: 13.16%) was used for the business valuation of the RBI Group. A change in the cost of capital by +/-100 basis points would result in a reduction or increase in the company value of the RBI Group calculated this way of -9.48% and +11.11% respectively.

The recoverable amount as at 30 June 2022 was the higher value chosen from comparing the value in use and the fair value less sales costs. After assumption of the pro rata changes in earnings and capital in the amount of EUR 245,757 thousand (H1 2021: EUR 63,276 thousand) and taking into account the dividends paid in the amount of EUR 0 (H1 2021: EUR 15,021 thousand), an impairment loss of EUR -363,738 thousand (H1 2021: EUR -12,579 thousand) was recognised in the first half of 2022, resulting in an IFRS carrying amount of EUR 702,252 thousand as at 30 June 2022 (31 December 2021: EUR 820,233 thousand).

As regards non-bank holdings, the participation in Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG is worth particular mention. Based on the resolution provisions in the articles of association, Raiffeisenlandesbank Oberösterreich has joint control over Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG. Accounting using the equity method is undertaken under the classification as Joint Venture as defined by IFRS 11. According to the financial statements as at 31 March 2022, it also owns 13.54% (31 December 2021: 13.54%) of the shares in the voestalpine AG Group and – as the largest individual shareholder - has the option of exercising a considerable influence on the financial and business policies of the most important steel company in Austria. In his function as Deputy Chairman of the Supervisory Board, the Chief Executive Officer of Raiffeisenlandesbank Oberösterreich, Heinrich Schaller, is an active participant in the strategic decisions made at voestalpine AG. At the level of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, the investment accounted for using the equity method in voestalpine AG was subjected to an impairment test as at 30 June 2022, as a result of which the carrying amount was compared with the recoverable amount of the investment. This was determined on the basis of the stock exchange rate of voestalpine AG on the Vienna Stock Exchange as at 30 June 2022 in the amount of EUR 20.28 per share (31 December 2021: EUR 32.00 per share). In the first half of 2022, an impairment loss was recognised to the lower fair value less costs to sell following the acquisition of the positive pro rata results and other changes in equity of voestalpine AG. The profit or loss of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, was transferred as part of the accounting process as a joint venture to the Raiffeisenlandesbank Oberösterreich Group in the amount of EUR -228,455 thousand (H1 2021: EUR +32,219 thousand) in accordance with the equity method. The carrying amount of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG amounts to EUR 370,839 thousand as at 30 June 2022 (31 December 2021: EUR 585,150 thousand).

The stock market price of AMAG Austria Metall AG on the Vienna Stock Exchange as at 30 June 2022 was EUR 34.40 per share (31 December 2021: EUR 41.00 per share), meaning that the stock market value was significantly higher than the carrying amount of the Group's investments accounted for using the equity method as at 30 June 2021.

Due to lower earnings expectations, particularly in connection with higher energy costs, the investment of 41.25% (31 December 2021: 41.25%) in Salinen Austria AG was subjected to an impairment test as of the reporting date of 30 June 2022. The recoverable amount was determined as the value in use on the basis of a discounted cash flow method, whereby a WACC after tax of 7.38% (31 December 2021: 7.56%) was applied. The value in use decreased compared to the last reporting date due to the lower earnings expectations. Following assumption of the negative pro rata result in the first half of 2022 in the amount of EUR -405 thousand (H1 2021: EUR +1,641 thousand), there was an impairment of EUR -3,046 thousand (H1 2021: no impairment or reversal of impairment) to an IFRS carrying amount of EUR 17,731 thousand as at 30 June 2022 (31 December 2021: EUR 21,181 thousand). A change in the discount rate used by +/-100 basis points would result in a reduction or increase in the company value calculated for Salinen Austria AG of -13.45% or +12.96% respectively.

19. Intangible assets

IN EUR '000	30 June 2022	31 Dec. 2021
Customer base	42,868	43,296
Brand	27,949	29,788
Goodwill	40,327	36,589
Other intangible assets	20,135	24,118
Property under construction	17,206	11,886
Total	**148,485**	**145,677**

20. Property, plant and equipment and investment property

IN EUR '000	30 June 2022	31 Dec. 2021
Property, plant and equipment	**615,314**	**621,376**
Land and buildings used for bank operations	217,029	216,753
Right of use of land and buildings used for operations	96,454	99,563
Other property, plant and equipment	103,461	108,223
Rights of use of other property, plant and equipment	24,454	23,764
Leased assets from operating leases – Other property, plant and equipment	162,686	159,122
Property under construction	11,230	13,951
Investment property	**787,767**	**780,507**
Investment property	517,541	528,417
Rights of use of investment properties	21,480	21,656
Leased assets under operating leases – investment property	100,322	105,256
Property under construction	148,424	125,179
Total	**1,403,081**	**1,401,884**

With regard to the investment property, by far the largest portion – EUR 428.2 million (31 December 2021: EUR 452.6 million) – stems from the "OÖ Wohnbau" companies. Access to this investment property is subject to legal restrictions as a result of the Austrian Public House Building Act (WGG).

21. Other assets

IN EUR '000	30 June 2022	31 Dec. 2021
Receivables from non-bank activities	188,481	164,814
Deferred income	39,499	32,332
Inventories	291,868	290,726
Assets	3,930	14,528
Other assets	364,405	280,726
Total	**888,183**	**783,127**

Inventories essentially consist of real estate projects which have not yet been concluded as well as inventories from the companies in the food industry (VIVATIS/efko Group). The amount of the (deployed) inventories which was recorded as expenditure in the reporting period is EUR -269.8 million (30 June 2021: EUR -204.7 million).

The proportion of "Other assets" attributable to the "OÖ Wohnbau" companies amounted to EUR 95.30 million (31. December 2021: EUR 97.30 million).

Revenue recognised in the reporting period, which was included in the balance of contractual obligations at the beginning of the period, amounts to EUR 289 thousand (H1 2021: EUR 294 thousand).

22. Assets held for sale

IN EUR '000	30 June 2022	31 Dec. 2021
Sales groups which are classified as being held for sale	4,233	43,656
Individual assets which are classified as being held for sale	437	39,951
Total	**4,670**	**83,607**

Long-term assets or sales groups encompassing assets and debts are classified as being held for sale in accordance with IFRS 5.6 if a high probability exists that they will be predominantly realised through sale and not through continued usage. In order to ensure that this is the case, the asset or the sales group must be current, conventional and capable of being sold immediately and such a sale must be highly likely to occur.

A Czech loan portfolio in the amount of EUR 43.7 million as of 31 December 2021 has been classified as held for sale at Raiffeisenlandesbank Oberösterreich since June 2021 in connection with the increasing complexity of regulatory obligations and the particular challenge of servicing foreign markets. The contracts for implementation of the offer were signed on 12 October 2021. The transfer will take place via an ongoing process in the 2022 financial year, with the majority of loan cases already transferred in the first half of 2022. The value of the remaining loans, which are still reported in the balance sheet item "Sales groups which are classified as being held for sale" as at 30 June 2022, amounts to EUR 4.2 million. Based on the terms agreed, no significant effect on the result was achieved and no significant effect on the consolidated result is expected for the remaining cases. The credit portfolio is allocated to the Retail & Private Banking segment.

In addition, there is an intention to sell a minority interest in a bank with a carrying amount of EUR 437 thousand as at 30 June 2022 (31 December 2021: EUR 2,925 thousand). The investment is accounted for as a financial asset in accordance with IFRS 9 in the category "measured at fair value through profit or loss" (FVTPL) and reported in the balance sheet item "assets held for sale" as at 30 June 2022. Based on a fair value measurement already updated in the first half of 2022, no significant impact on earnings is expected from any possible sale. The asset amount is assigned to the Equity investments segment.

23. Amounts owed to banks

IN EUR '000	30 June 2022	31 Dec. 2021
Liabilities payable on demand	4,648,551	4,769,773
Money market transactions	10,756,215	10,925,080
Long-term financing	4,896,493	4,572,823
Total	**20,301,258**	**20,267,675**
In Austria	17,832,705	17,851,222
Abroad	2,468,553	2,416,453
Total	**20,301,258**	**20,267,675**

As at 30 June 2022, the portfolio of tender transactions amounts to EUR 7.4 billion (31 December 2021: EUR 7.4 billion) and is reported under the item "Money market transactions". EUR 618 million (31 December 2021: EUR 618 million) of this was subsequently made available to the Upper Austrian Raiffeisen banks. The credit growth required for the bonus interest until 31 December 2021 was achieved as expected. Therefore, the base interest rate of -50 bp and the bonus interest rate of -50 bp (until the end of the bonus interest period in June 2022) were taken into account in the preparation of the financial statements as at 30 June 2022 with a pro rata positive effect of EUR 36.4 million in net interest income in the first half of 2022 (H1 2021: EUR 30.4 million). The terms of the long-term tender are not considered a government subsidy within the meaning of IAS 20 but to Raiffeisenlandesbank Oberösterreich constitute a specific market with condition that cannot be influenced; tender transactions are therefore accounted for at amortised cost in accordance with IFRS 9.

24. Amounts owed to customers

IN EUR '000	30 June 2022	31 Dec. 2021
Demand deposits	7,334,820	8,041,650
Term deposits	3,930,792	3,941,579
Savings deposits	1,319,554	1,359,654
Others	140,526	158,495
Total	**12,725,692**	**13,501,379**
In Austria	10,109,607	10,619,020
Abroad	2,616,084	2,882,359
Total	**12,725,692**	**13,501,379**

25. Trading liabilities

IN EUR '000	30 June 2022	31 Dec. 2021
Interest rate transactions	1,251,071	1,322,658
Currency exchange transactions	140,970	121,255
Stock- and index-related business	0	0
Other transactions	0	0
Total	**1,392,041**	**1,443,914**

26. Liabilities evidenced by certificates

IN EUR '000	30 June 2022	31 Dec. 2021
Bonds issued	5,388,829	4,804,178
Listed mortgage bonds/municipal bonds	44,684	83,424
Non-listed mortgage bonds/municipal bonds	303,472	342,669
Other securitised liabilities	3,141,713	3,713,323
Total	**8,878,698**	**8,943,594**

27. Provisions

IN EUR '000	30 June 2022	31 Dec. 2021
Provisions for personnel expenses	**149,836**	**169,381**
of which severance provisions	88,744	99,741
of which pension provisions	39,017	46,406
of which bonus fund provisions	22,075	23,235
Other provisions	**127,200**	**130,225**
of which provisions for off-balance-sheet obligations	56,769	65,226
of which Other provisions	70,431	64,999
Total	**277,036**	**299,606**

Due to the current level of interest rates, the valuation interest rate for calculating the provisions for personnel expenses as at 30 June 2022 was adjusted to 3.0% (31 December 2021: 0.5%). Future pension and salary increases were taken into account with a short-term one-off effect of three percentage points and a long-term increase of one percentage point due to the current inflation trend.

Interest rate movements in recent years have led to negative indicator values, which are used to calculate interest. In several cases, the Supreme Court declared that the receipt of a mark-up that was not explicitly agreed to is not allowed. Refunds were made to consumer customers. For the cases of the remaining customers, a provision was created starting with the 2017 financial year for the period from 2015 and subsequently further adjusted. The net allocations for this provision amounted to EUR 0.4 million in the first half of 2022 (H1 2021: EUR 3.6 million). The amount of the provision as at 30 June 2022 was EUR 39.0 million (31. Dec. 2021: EUR 38.7 million). The amount is disclosed in "Other provisions" and the allocation made in "Net interest income".

In the Raiffeisenlandesbank Oberösterreich Group, payments in kind to employees are treated exclusively in accordance with IAS 19. Accordingly, IFRS 16 is not applied and, as a result, the existence of sub-leases is not checked.

28. Other liabilities

IN EUR '000	30 June 2022	31 Dec. 2021
Liabilities from non-bank activities	150,688	168,216
Deferred income	23,790	19,811
Liabilities	15,366	7,541
Leasing liabilities	128,436	130,824
Other liabilities	467,052	343,172
Total	**785,331**	**669,563**

29. Subordinated capital

IN EUR '000	30 June 2022	31 Dec. 2021
Tier 2 capital and subordinated liabilities and participation capital	946,288	1,083,646
Total	**946,288**	**1,083,646**

Change in liabilities stemming from financial activities

IN EUR '000	2022	2021
As at 1 Jan.	**1,083,646**	**1,015,676**
Changes affecting payments	-66,195	80,059
of which deposit from issues	9,553	80,609
of which buyback/repayment	-75,748	-550
Changes not affecting payments	-71,163	-17,658
of which net income from financial instruments carried at fair value	-62,491	-14,217
thereof evaluation due to change in own credit risk	-3,537	-750
of which other changes	-5,135	-2,691
As at 30 June	**946,288**	**1,078,077**

30. Equity

IN EUR '000	30 June 2022	31 Dec. 2021
Share capital	277,630	277,630
Capital reserves	971,913	971,973
Retained earnings	3,382,161	3,702,640
Non-controlling interests	211,703	206,870
Total	**4,843,407**	**5,159,113**

In the first half of 2022, dividends of EUR 47,000 thousand were paid on the ordinary shares, in accordance with the decision made at the annual general meeting on 2 May 2022 concerning the use of the net profit from 2021. This means that the planned dividend for each ordinary share will be EUR 24.20.

Changes in the reserves of actuarial gains/losses on defined benefit plans

IN EUR '000	2022	2021
As at 1 Jan.	**-33,149**	**-36,435**
Remeasurements of reserves of actuarial gains/losses on defined benefit plans	17,648	3,240
Taxes recognised in respect of these amounts	-4,709	-812
As at 30 June	**-20,210**	**-34,007**

Change in the reserve for own credit risks

IN EUR '000	2022	2021
As at 1 Jan.	**2,274**	**15,748**
Remeasurements due to change in own credit risk in respect of financial liabilities designated at fair value	1,331	-11,738
Amounts reclassified to the profit reserve	129	192
Taxes recognised in respect of these amounts	-275	2,886
As at 30 June	**3,459**	**7,088**

Changes in the fair value of financial liabilities measured at fair value through profit or loss, that are attributable to changes in the company's own credit risk, are recognised with no impact on profit or loss under the item "Reserve for own credit risks". There are no plans to reclassify the amounts contained in this reserve to the income statement at a later date. In the event of derecognition, the corresponding amounts are reclassified to retained earnings. In the first half of 2022, an amount of EUR +99 thousand (H1 2021: EUR +144 thousand) was reclassified to retained earnings after deferred taxes.

Change in the reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI)

IN EUR '000	2022	2021
As at 1 Jan.	**117,095**	**158,239**
Remeasurement gains/losses in the reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI)	-132,822	-36,721
Amounts reclassified to profit or loss	-3,641	-685
Taxes recognised in respect of these amounts	34,509	9,352
As at 30 June	**15,141**	**130,185**

The reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI) reflects the remeasurement gains/losses to be recognised with no impact on profit or loss in equity and the loan loss allowances for financial assets in the category "fair value through other comprehensive income" (FVOCI) in accordance with IFRS 9.

In the first half of 2022, the fair value measurement of debt instruments classified as "measured at fair value through other comprehensive income" amounted to EUR -132,822 thousand (H1 2021: EUR -36,721 thousand). In addition, an amount of EUR -3,641 thousand (H1 2021: EUR -685 thousand) was reclassified to the income statement in the first half of 2022. Of this amount, EUR -3,555 thousand (H1 2021: EUR -491 thousand) relate to valuation effects that were reclassified to the disposal result of the category "measured at fair value through other comprehensive income", and EUR -86 thousand (H1 2021: EUR -194 thousand) relate to loan loss allowances that were reclassified to the item "loan loss allowances" in the income statement.

Development of the gain or loss on remeasurement from the hedging of a net investment in a foreign business

IN EUR '000	2022	2021
As at 1 Jan.	**-1,838**	**-381**
Gain or loss from the hedging of net investments	-177	-1,032
Amounts reclassified to profit or loss	0	0
Taxes recognised in respect of these amounts	-9	258
As at 30 June	**-2,024**	**-1,155**

There is hedging for currency risks resulting from a net investment in a foreign business. The volume of the hedged underlying transaction amounted to EUR 37.0 million as at 30 June 2022 (31 December 2021: EUR 36.8 million). Hedging transactions represent refinancing in these foreign currencies in the same amount. The effective portion of the valuation gains and losses of hedging transactions is recognised in the aforementioned reserves with no effect on income.

Changes in foreign currency translation reserves

IN EUR '000	2022	2021
As at 1 Jan.	**-2,522**	**-2,238**
Changes in the basis of consolidation	28	0
Gain or loss from foreign currency translation	-365	-394
Amounts reclassified to profit or loss	0	0
As at 30 June	**-2,859**	**-2,632**

Development of "other comprehensive income" of companies accounted for using the equity method

IN EUR '000	2022	2021
As at 1 Jan.	**-306,342**	**-339,837**
Change due to proportional "other comprehensive income"	89,115	23,662
Taxes recognised in respect of these amounts	0	0
As at 30 June	**-217,227**	**-316,175**

Development of retained earnings (incl. non-controlling interests)

IN EUR '000	2022	2021
As at 1 Jan.	**4,133,992**	**3,721,373**
After-tax profit for the period	-263,989	254,927
Dividends	-51,452	-46,707
Other changes	-967	1,124
As at 30 June	**3,817,584**	**3,930,717**

RISK REPORT

Summary

Raiffeisenlandesbank Oberösterreich Group's long-term success has largely been due to active risk management. In order to achieve this target, Raiffeisenlandesbank Oberösterreich, as the dominant group company, has implemented risk management with structures that facilitate the identification and measurement of all risks in the group in accordance with sections 39, 39a, Austrian Banking Act and the Regulation on Credit Institution Risk Management (KI-RMV) (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, operational risks and other risks) and their active managerial counteraction. ESG (Environment, Social, Governance) risks as a new dimension of risk are gradually being integrated into the existing risk categories, with the strongest focus currently on climate and environmental risk.

Raiffeisenlandesbank Oberösterreich generally only concentrates its commitments on business areas in which it has the requisite expertise in the assessment of the specific risks. The inclusion of new business areas or products is preceded by an appropriate analysis of the business-specific risks.

In accordance with the "ECB Guide to the internal capital adequacy assessment process (ICAAP)", Raiffeisenlandesbank Oberösterreich distinguishes between the economic perspective (99.9%) and the additional normative perspective: the economic perspective focuses on a present value risk assessment and utilisation of the risk coverage potential, whereas the normative perspective focuses on statement of financial position risks in the income statement and their impact on the capital ratios.

Risk Controlling analyses all risks and examines adherence to the defined risk limits by means of ongoing variance analyses. Internal/Group Audit assesses the effectiveness of working procedures, processes and internal controls.

Market risks

Market risks take the form of changes in interest rates, spreads, currency, volatility and exchange rates relating to securities, interest rates and foreign exchange items.

The basis for all business is a balanced risk/reward ratio.

The strict division of labour between front, middle and back office and risk controlling ensures that risks can be described comprehensively, transparently and objectively to the entire Managing Board, the Supervisory Board and supervisory authorities.
New products and markets are evaluated in an approval process and then authorised by the Managing Board.

The trades and the market price risk are limited by an extensive limit system. All trading positions are valued every day at market prices.

For risk management purposes, the securities in the trading book are handled separately; they are included in the reporting on market risk.

The market risks are measured every day with the value-at-risk index for the trading and banking books. This indicates a possible loss which, with 99% probability, will not be exceeded during a one-month holding period.

In addition to value at risk, stop-loss limits and scenario analyses are also used to limit risk.

The market risk is calculated in Front Arena/Risk Cube. The weighted historical simulation is used as the value-at-risk model.

The quality of the Front Arena/Risk Cube programme used or of the methods for historical simulation used there is reviewed daily using back testing. Both the mark-to-market results actually obtained (financial profit/loss) as well as the hypothetical results (portfolio is kept constant one day; no impact by exogenous factors) are compared with the risks calculated and tested for significance.

Market risks are managed using a value-at-risk based limit system. All market risk activities are assigned a risk limit which is included in full in the risk-bearing capacity analysis.

The other fully consolidated group companies minimise their market risks through maturity-matched funding via Raiffeisenlandesbank Oberösterreich.

The following table shows the value at risk figures for the Raiffeisenlandesbank Oberösterreich Group as at 30 June 2022 and 31 Dec. 2021 (confidence level 99.0%, holding period one month).

	30 June 2022 IN EUR '000	31 Dec. 2021 IN EUR '000
Total	105,706	79,392
Interest	109,371	71,328
Spread	26,664	26,293
Currency	777	9
Shares	2,153	2,708
Volatility	1,746	2,486

As at 30 June 2022, the total value at risk increased by EUR 26.3 million to EUR 105.7 million compared to 31 December 2021. The interest value at risk also rose significantly from EUR 71.3 million to EUR 109.4 million. These two increases are due to higher interest rates and increased market volatilities.

In addition, stress tests are conducted to take account of risks in the event of extreme market movements. The crisis scenarios include the simulation of large fluctuations in the risk factors and are designed to highlight potential losses which are not covered by the value at risk model. The stress scenarios comprise both the extreme market fluctuations which have actually occurred in the past and also a series of standardised shock scenarios involving interest rates, credit spreads, share prices, currency exchange rates and volatility.

A stress test with a +/–200 basis point interest rate shift was performed for the trading and banking book.

The following table shows the results of the stress test as at 30 June 2022 and as at 31 December 2021:

	30 June 2022		31 Dec. 2021	
IN EUR '000	+200 BP	-200 BP	+200 BP	-200 BP
EUR	-353,656	413,510	-376,178	425,366
USD	-2,099	2,128	-933	1,022
GBP	5	-5	2	-2
CHF	-1,068	1,218	-655	786
JPY	584	-555	37	-4
CZK	-1,856	2,076	-2,725	3,403
Other currencies	-1,357	1,397	-773	798

The stress test shows the change in present value in the event of a parallel shift of the interest rate curve by +/-2 percentage points, respectively.

Interest rate risk management

Interest rate risk management at Raiffeisenlandesbank Oberösterreich is carried out on the basis of management strategies agreed with the Managing Board as a whole and financial targets. The interest rate projections and the respective concerted positioning are continuously presented within the framework of the Asset Liability Committee. At the consolidated level, the aim is to achieve a fixed-interest surplus in order to capture maturity transformation outcomes. Interest rate risk is managed primarily through underlying transactions (loans, issues) or their hedging. For asset items in proprietary fund holdings, a "statement of financial position review" is carried out; the bonds thus enter into the hedging strategies of the consolidated banking book.

Underlying transactions can be classified as fair value options in order to reduce the statement of financial position fair value risk of the overall position. For this purpose, however, a partial or full hedging transaction must exist for this underlying transaction. It is also possible to link several underlying transactions with one hedging transaction if the business content is almost identical. An explicit increase in the interest rate risk of the FVPL position by including a transaction in the fair value option is avoided. The fair value option is used primarily for transactions on the liabilities side of the balance sheet, usually for retail issues, time deposits and transactions with options requiring bifurcation.

In addition to hedges at the individual level of bonds and loans in the form of hedge accounting, Raiffeisenlandesbank Oberösterreich manages interest rate risks at the macro level within the framework of the application of the "portfolio fair value hedge". Fixed-interest loans in defined maturity bands are combined into an overall risk position and hedged with corresponding derivative hedging transactions. It should be noted that variable instruments in which caps/floors are embedded also have fixed interest rate risks. The bottom layer approach is applied in accordance with the EU carve-out regulations on IAS 39.

Macroeconomic risk

Raiffeisenlandesbank Oberösterreich interprets macroeconomic risk as an additional risk resulting from an assumed recession and its impact on the economic perspective of risk-bearing capacity.

Stressed balance sheet loan loss allowances are simulated based on the pessimistic scenario from IFRS 9. The result is increased loan loss allowances due to the increased PDs and LGDs from this pessimistic scenario and the resulting increased stage transfers from Stage 1 to 2. The difference between the stressed loan loss allowances from the pessimistic scenario and the booked loan loss allowances results in the Macroeconomic Risk Pillar 2. This amount is taken into account in the economic perspective (99.9%) of the risk-bearing capacity analysis as a deduction item in the cover assets and thus increases risk utilisation.

For the pessimistic scenario, depending on the direction of impact of the macroeconomic factor, the upper or lower just under 1% to 10% quantile of the forecast interval is used by means of a polynomial function. This reflects the rising uncertainty with an increasing forecast horizon.

Credit risk

The credit risk constitutes the risk to the bank that a loss will occur as a result of the non-fulfilment of the contractual obligations of customers or contractual partners. The credit risk is mainly generated by the loans and advances to customers and banks and from securities from the banking book.

A credit value adjustment (CVA) and debt value adjustment (DVA) were determined as part of the inclusion of credit risk in the mark-to-model measurement of derivatives. The main factors used in determining the CVA and DVA were the term to maturity, counter-party default risk and collateralisation.

A report on the credit risk is given to the Managing Board once each quarter, or as needed.

The principles for assessing customers' creditworthiness are incorporated into the regulations entitled "Rating Guideline" and "Group Securities Guidelines". These regulations provide a compact representation of the standards valid for Raiffeisenlandesbank Oberösterreich. They are based on international standards (Basel), regulations from the European Union (CRR), the EBA Guidelines, national statutes and laws (Austrian Banking Act, Credit Institution Risk Management Regulation) or on supervisory recommendations (FMA minimum standards for lending, FMA series of guidelines on credit risk).

In order to measure the credit risk, the bank carries out its own internal ratings and classifies financing transactions into credit rating and risk classes. The risk class of a Borrower accordingly comprises two dimensions – recording and assessing their financial situation and measuring the securities provided.

The following rating classes are used for internal rating in the Raiffeisenlandesbank Oberösterreich Group:

10-point scale	Sub classes	Text
0.5	0.5	risk-free
1.0	1.0	outstanding creditworthiness
1.5	1.5	very good creditworthiness
2.0	2 +	good creditworthiness
	2.0	
2.5	2 –	average creditworthiness
	2.5	
3.0	3 +	satisfactory creditworthiness
	3.0	
3.5	3 –	mediocre creditworthiness
	3.5	poor creditworthiness
4.0	4 +	very poor creditworthiness
	4.0	
4.5	4.5	in danger of default
5.0	5.0	Default criteria reached
	5.1	
	5.2	

Individual rating classes are defined and delineated by means of calculations which assess statistical default probabilities. The descriptions in words are simply for illustrative purposes.

Against the backdrop of the coronavirus pandemic and its economic impact, the focus was on creditworthiness and collateral approaches.

The start of 2022 continued to be dominated by pandemic containment measures; but, as there were no more ordered closures, the catering and hotel industry was able to operate. However, this economic recovery was already slowed down again in February of the current year. The first half of 2022 was dominated by the ongoing Russia-Ukraine crisis. The direct and immediate impact on Raiffeisenlandesbank Oberösterreich can still be classified as low, even after a detailed analysis.

Credit value at risk

The overall risk of all assets exhibiting a counterparty default risk is determined on a monthly basis. Risk may arise due to credit default, deterioration in creditworthiness or a reduction in the intrinsic value of securities, And it is communicated through the key figures expected loss and unexpected loss.

The expected loss represents the most probable value decrease of a given portfolio. This specified loss of value should be expected each year. This loss is covered by the calculated risk costs.

The unexpected loss represents a portfolio's possible loss beyond the expected loss. Thus, it communicates possible negative deviation from the expected loss. The unexpected loss is covered by the equity capital and is the maximum loss that can possibly arise within a single year, and which – with a certain amount of probability – will not be exceeded. Raiffeisenlandesbank Oberösterreich calculates unexpected loss at a probability of 99.9%.

Unexpected loss is calculated in a portfolio model that also takes into account concentration risks. The portfolio value distribution is prepared on the basis of transition probabilities and correlations using a Monte Carlo simulation. The asset value model is applied to this end. The asset value model derives the correlations between the counterparties on the basis of the MSCI Sector Indexes. The unexpected loss per quantile is read from the portfolio value distribution.

For customers in recovery (economic rating of 5.2), the credit risk is calculated based on the ÖRS model. The credit risk of customers for whom specific valuation allowances have been recognised (economic rating of 5.1) or of customers with a material overdraft lasting more than 90 days (economic rating of 5.0) is determined using a default model. The risks/opportunities from loan defaults or changes in creditworthiness for all other customers are simulated using a market valuation model.

Overall structure by item on the statement of financial position

Maximum credit risk exposure

IN EUR '000	30 June 2022	31 Dec. 2021
Cash and cash equivalents (credit balance at central banks)	86,765	91,863
Loans and advances to banks	13,431,999	14,045,370
Loans and advances to customers	26,258,082	25,295,138
Trading assets	1,467,738	1,800,437
Financial assets	4,002,965	4,645,691
Assets held for sale	4,233	43,656
Total	**45,251,782**	**45,922,155**
Financial guarantees	3,193,030	2,889,016
Loan approvals	7,718,550	7,141,198
Held for sale in accordance with IFRS 5 – off balance sheet	0	921
Total	**10,911,580**	**10,031,135**
Total maximum credit exposure	**56,163,362**	**55,953,290**

Securities values for overall structure

The stated securities values correspond to the values determined within internal risk management. They reflect a conservative estimate of receipts in the event of any necessary non-performing loan workout.

Securities values

IN EUR '000	30 June 2022	31 Dec. 2021
Loans and advances to banks	53,204	57,444
Loans and advances to customers	14,767,985	14,165,074
Trading assets	188,969	400,912
Financial assets	35,227	43,583
Assets held for sale	1,665	40,261
Total	**15,047,050**	**14,707,274**
Financial guarantees	261,071	240,374
Loan approvals	1,029,412	1,034,747
Held for sale in accordance with IFRS 5 – off balance sheet	0	43
Total	**1,290,483**	**1,275,164**
Total securities values	**16,337,533**	**15,982,438**

As at 30 June 2022, 66.1% (previous year: 66.0%) of the total financial securities value consists of securities on immovable assets (e.g. mortgages, land register rankings).

Industry structure/concentration risks

Maximum credit risk exposure by industry

IN EUR '000	30 June 2022	31 Dec. 2021
Credit institutions in Austria	15,380,808	15,121,565
Commercial and other real estate projects	3,976,166	3,985,126
Public sector and non-profit organisations	3,546,066	4,386,085
Construction and ancillary building trade	3,361,843	3,306,611
Mechanical engineering and plant construction	2,170,662	2,098,185
Private households	2,100,930	2,098,328
Residential property developers for profit	1,993,119	2,019,486
Motor vehicles	1,616,103	1,577,167
Credit institutions in the EU, except Austria	1,546,376	2,019,398
Metal production and processing	1,528,706	1,413,918
Consumer goods	1,516,180	1,305,216
Transport and warehousing	1,496,022	1,403,300
Foodstuffs	1,284,934	1,174,188
Plastics, chemical products	1,207,661	1,138,167
Tourism, accommodation, gastronomy	1,155,398	1,127,154
Real estate project operators	1,152,304	1,090,503
Electronic/electrical	1,080,978	1,054,634
Investment companies	888,466	757,278
Other economic services	881,797	909,228
Energy supply	833,387	747,316
Agriculture and forestry	804,328	761,884
Health and social work	752,354	736,319
Credit institutions other	676,954	744,223
Information and communication	643,979	671,748
Pharmaceutical industry and medical technology	615,925	423,212
Financial and insurance services	614,389	639,649
Funds and private foundations	521,676	505,239
Residential property developers non-profit	500,435	515,876
Leisure	462,836	465,187
Subtotal	**54,310,782**	**54,196,190**
Other sectors	1,852,580	1,757,100
TOTAL	**56,163,362**	**55,953,290**

In the CRR basis of the finance holding (RBG OÖ Verbund eGen) there were 35 major loans* (without loans to Group members) as at 30 June 2022 (31 December 2021: 35). Of these, 11 (31 December 2021: 12) account for large exposures in the commercial sector, 3 (31 December 2021: 3) for large exposures in the banking sector and 21 (31 December 2021: 20) for large exposures to public authorities.

* Value (before applying exceptions and before deducting securities) greater than 10% of eligible own funds for large exposures under the CRR.

Climate and environmental risks by industry group

As a bank with regional roots, the Raiffeisenlandesbank Oberösterreich Group finances a significant share of the local economy and industry. Many customers have already become aware of the climate and environmental risks of their business activities, including as a result of the increased focus on the EU taxonomy in this regard. With regard to the Paris climate targets, the Bank is working to identify transitory and physical risks and their impact on its clients' business models. Transitory risks are those arising from the transition to a climate-neutral economy. These are mainly the result of changing political and legal conditions as well as changing consumer sentiment. Physical risks are divided into acute (floods, forest fires, heat waves, etc.) and chronic (changing types of precipitation, progressive drying out of entire tracts of land, etc.) risks. The transition to a carbon-neutral economy will have a major impact on the business models of companies in greenhouse gas-intensive industries in particular. In addition, the increasing physical hazards caused by advancing climate change will also have an impact on the business models of different companies. In addition to a sectoral impact, there are also increasing dangers in terms of physical risks that are derived purely from the companies' operating and production sites. The risks resulting from this consideration must be measured, monitored and controlled on an ongoing basis.

As a basis for identifying transitory risks, it can be stated for the present interim report and for the previous reporting date that, in absolute terms, the majority of greenhouse gas emissions are financed in the following sectors:
- Metal production and processing
- Manufacture of glass and glass products, ceramics, processing of stones, earths
- Energy supply
- Transport
- Manufacture of chemical products

These five sectors mentioned cover around two thirds of the total greenhouse gas emissions financed in the Raiffeisenlandesbank Oberösterreich Group. Furthermore, it has already been established that the greenhouse gas emissions financed are very highly concentrated. Around 70% of the greenhouse gas emissions financed are caused by around 10% of the corresponding exposure. The consideration of individual greenhouse gas intensities will therefore be of major importance in the future. The process for determining the greenhouse gases financed is continuously being refined. A more precise quantitative disclosure is planned starting with the Annual Report and Sustainability Report 2022.

In addition to determining the greenhouse gas emissions financed, an ESG (Environment, Social, Governance) score is being worked on together with RBI AG. All dimensions can be considered individually or the ESG score can be considered overall. Starting from a basic score (depending on the industry and the customer's country of domicile), the plan is for a customer-specific score to be determined in future by means of a questionnaire. The scale ranges from 0 to 100 in each case.

Currently, the focus is on the E-score (climate and environmental risks). The E-score is less concerned with defining an absolute value for environmental performance (different criteria are used in the background depending on the sector) and more about showing development over time. The following table shows the loans and advances to customers for the reporting dates as at 30 June 2022 and 31 December 2021 classified according to the E-base score. A higher E-score indicates a higher environmental performance in relation to a lower E-score.

Loans and advances to customers

E-base score	30 June 2022 IN EUR '000	31 Dec. 2021 IN EUR '000
0 to < 30	9,421	22,263
30 to < 40	3,675,883	4,543,411
40 to < 50	15,388,197	15,347,909
50 to 100	7,184,581	5,381,555
Total	**26,258,082**	**25,295,138**

Loans and advances to customers by industry group and COVID-19 measures

IN EUR '000	30 June 2022	thereof with EBA-compliant moratoria	thereof with forbearance measures in connection with COVID-19	New loans with public guarantees in connection with COVID-19
Commercial and other real estate projects	3,464,987	0	30,587	3,512
Private households	1,774,069	0	1,162	38
Construction and ancillary building trade	1,710,991	0	126	23,862
Residential property developers for profit	1,557,136	0	0	358
Mechanical engineering and plant construction	1,176,910	0	0	57,897
Transport and warehousing	1,154,914	0	2,957	15,617
Metal production and processing	1,142,157	0	16	34,933
Motor vehicles	1,123,650	0	204	86,647
Consumer goods	1,113,743	0	97	60,504
Public sector and non-profit organisations	1,030,865	0	7	0
Foodstuffs	1,018,854	0	405	10,099
Tourism, accommodation, gastronomy	964,069	0	4,628	56,521
Real estate project operators	955,534	0	13	1,299
Plastics, chemical products	805,850	0	61	40,114
Other economic services	745,490	0	1,642	4,618
Investment companies	710,829	0	0	7,724
Electronic/electrical	669,505	0	57	16,408
Health and social work	624,581	0	44	885
Agriculture and forestry	614,641	0	0	1,646
Energy supply	562,344	0	0	447
Pharmaceutical industry and medical technology	472,169	0	0	545
Residential property developers non-profit	438,867	0	0	0
Information and communication	418,380	0	18	18,287
Freelance/technical services	296,566	0	69	4,095
Petroleum, natural gas, other raw materials	275,844	0	0	10
Funds and private foundations	263,432	0	0	0
Furniture production and trade	260,563	0	13	2,218
Leisure	234,162	0	18	33,329
Paper and paperboard	213,082	0	0	1,871
Financial and insurance services	168,412	0	4	129
Water supply and waste disposal	161,806	0	67	1,959
Finance leases	64,133	0	0	0
Subtotal	**26,188,535**	**0**	**42,195**	**485,572**
Other sectors	69,547	0	0	0
TOTAL	**26,258,082**	**0**	**42,195**	**485,572**

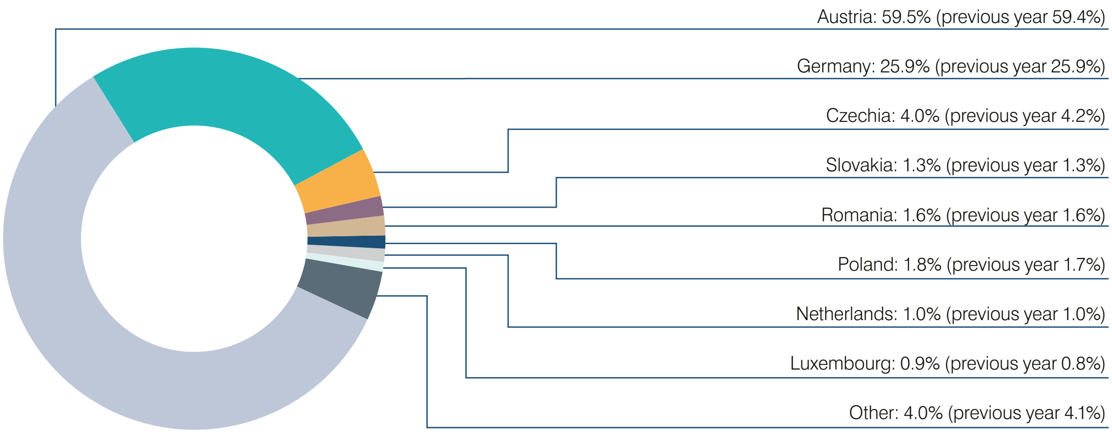
Loans and advances to customers by industry group and COVID-19 measures

IN EUR '000	31 Dec. 2021	thereof with EBA-compliant moratoria	thereof with forbearance measures in connection with COVID-19	New loans with public guarantees in connection with COVID-19
Commercial and other real estate projects	3,509,770	0	9,335	3,549
Private households	1,771,483	0	2,002	21
Residential property developers for profit	1,671,539	0	0	480
Construction and ancillary building trade	1,665,085	0	162	18,082
Public sector and non-profit organisations	1,232,531	0	8	188
Motor vehicles	1,095,284	0	258	73,677
Mechanical engineering and plant construction	1,087,180	0	12	64,495
Transport and warehousing	1,041,834	0	4,495	16,285
Metal production and processing	1,000,927	0	612	30,773
Tourism, accommodation, gastronomy	948,325	0	61,034	50,152
Real estate project operators	919,873	0	15	1,536
Foodstuffs	906,646	0	25	13,549
Consumer goods	848,582	0	3,800	47,897
Plastics, chemical products	799,188	0	32	40,177
Other economic services	743,509	0	302	5,117
Agriculture and forestry	623,259	0	7	1,224
Electronic/electrical	604,646	0	76	16,970
Health and social work	563,144	0	74	1,035
Energy supply	562,404	0	0	530
Investment companies	541,959	0	19	14,190
Residential property developers non-profit	461,608	0	0	0
Information and communication	460,859	0	35	19,030
Pharmaceutical industry and medical technology	350,226	0	0	2,544
Furniture production and trade	272,211	0	17	1,260
Freelance/technical services	262,213	0	85	3,443
Petroleum, natural gas, other raw materials	248,489	0	0	15
Funds and private foundations	243,640	0	0	0
Leisure	236,048	0	1,831	35,161
Paper and paperboard	196,162	0	0	15,626
Financial and insurance services	180,883	0	2	163
Water supply and waste disposal	138,348	0	84	1,960
Finance leases	61,271	0	0	0
Subtotal	**25,249,126**	**0**	**84,322**	**479,129**
Other sectors	46,012	0	4	3
TOTAL	**25,295,138**	**0**	**84,326**	**479,132**

Loan loss allowances according to IFRS 9 for loans and advances to customers in industry groups particularly affected by COVID-19

	30 June 2022		31 Dec. 2021		Change	
IN EUR '000	Carrying amount	Loan loss allowances	Carrying amount	Loan loss allowances	Carrying amount	Loan loss allowances
Tourism, accommodation, gastronomy	964,069	35,340	948,325	34,650	15,744	690
Metal production and processing	1,142,157	33,896	1,000,927	29,995	141,230	3,901
Transport and warehousing	1,154,914	16,945	1,041,834	18,549	113,080	-1,604
Mechanical engineering and plant construction	1,176,910	16,004	1,087,180	18,431	89,730	-2,427
Leisure	234,162	2,742	236,048	4,248	-1,886	-1,506
Total	**4,672,212**	**104,927**	**4,314,314**	**105,873**	**357,898**	**-946**

Geographic distribution of the loans and advances to customers



Loans and advances to customers domiciled in Russia or Ukraine are of minor importance per country (share in the portfolio less than 0.1% of loans and advances to customers). There are no loans or advances to customers in Belarus.

Disclosures on government bonds from selected European countries

Carrying amounts IN EUR MILLIONS	Measured at fair value through other comprehensive income (FVOCI)		Measured at fair value through profit or loss (FVTPL)		Designated at fair value through profit or loss (FVO)		Total	
	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021
Ireland	155.7	171.8	0	0	0	0	155.7	171.8
Italy	126.0	143.5	0	0	0	0	126.0	143.5
Portugal	82.5	91.2	0	0	0	0	82.5	91.2
Spain	156.2	175.3	0	0	0	0	156.2	175.3
Ukraine	0.7	2.5	0	0	0	0	0.7	2.5
Russia	0.3	1.9	0	0	0	0	0.3	1.9
Belarus	0	0	0	0	0	0	0	0
Total	**521.4**	**586.2**	**0**	**0**	**0**	**0**	**521.4**	**586.2**

As at 30 June 2022, for the listed government bonds in the category "measured at fair value through other comprehensive income" (FVOCI) there was a positive OCI reserve of approximately EUR 24.8 million (31 Dec. 2021: EUR 42.6 million). Beyond that, we held no credit default swaps (CDS) in connection with the aforementioned countries.

Structure of performing* overdue credit risk exposures and the related collateral

The carrying amounts of performing* overdue assets relate exclusively to the balance sheet item "Loans and advances to customers" (including loans and advances to customers held for sale). They are shown in the following table including the corresponding securities values:

	30 June 2022			31 Dec. 2021		
	overdue assets			overdue assets		
IN EUR '000	Gross balance	Carrying amount	Securities for overdue assets	Gross balance	Carrying amount	Securities for overdue assets
up to 30 days	683,415	678,892	488,681	703,219	699,010	546,814
31 to 60 days	142,106	140,899	119,040	110,192	109,095	89,970
61 to 90 days	12,688	12,617	10,983	12,512	12,435	9,834
over 90 days	17,949	17,858	16,300	19,470	19,367	17,341
Total	**856,158**	**850,266**	**635,004**	**845,393**	**839,907**	**663,959**

* Performing vs. non-performing according to Article 47a CRR

The past-due amount of up to 30 days includes assets held for sale with a gross balance of EUR 2,580 thousand and a carrying amount of EUR 2,579 thousand as at the reporting date of 30 June 2022. These receivables are offset by collateral in the amount of EUR 11 thousand, which is also included in the table.

Securities values include deductions, are reviewed promptly and correspond to a conservative estimate of the proceeds that could be expected over the long term from recovery of the securities.

As at 30 June 2022, 18.0% (31 December 2021: 13.0%) of the total collateral values for performing* overdue credit risk exposures is composed of collateral for immovable assets (e.g. mortgages, rankings).

The age structure is accounted for on the basis of individual accounts without consideration of the materiality thresholds, as in accordance with Article 178 CRR.

Loan loss allowances and collateral for non-performing* credit risk exposures

The financial assets that are determined to be non-performing* as at the reporting date have the following structure and have the following collateral assigned:

	Loans and advances to banks		Loans and advances to customers		Financial assets		Financial guarantees		Credit risks	
IN EUR '000	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
Gross value	0	292	903,663	851,730	2,285	1,929	32,962	41,699	37,685	51,701
Loan loss allowances*	0	-292	-298,230	-280,929	-905	-657	-21,979	-21,530	-6,866	-25,073
of which: loan loss allowances FX financing	0	0	-29,487	-27,341	0	0	0	0	-491	-590
Carrying amount	**0**	**0**	**605,433**	**570,801**	**1,380**	**1,272**	**10,983**	**20,169**	**30,819**	**26,628**
Securities	**0**	**0**	**443,431**	**424,783**	**0**	**0**	**4,152**	**3,338**	**11,003**	**12,152**

* Performing vs. non-performing in accordance with Article 47a CRR
** including credit rating-induced fair value changes for transactions categorised at FVPL

Loan loss allowances in accordance with the definition of non-performing* are recognised primarily if a debtor is experiencing economic or financial difficulties, fails to make interest payments or repayments of principal, or other circumstances arise that indicate a probability of default based on regulatory standards.

In addition to default according to Article 178 CRR (insolvencies, impending insolvency, lawsuits, deferrals, restructurings, significant credit risk adjustments, receivables waivers, direct impairment losses, interest exemptions related to creditworthiness, acceleration of maturity, moratoria/payment stop/licence withdrawal at banks, material 90-day overdues), the non-performing* definition of the Raiffeisenlandesbank Oberösterreich Group also includes the transactions to be reported as non-performing in connection with forbearance (non-performing in accordance with Article 47a CRR).

New non-performing* cases that were recorded in accordance with the Restructuring and Insolvency Directive Implementation Act/StaRUG in the first half of 2022, but do not constitute formal insolvency proceedings, have been of minor importance so far.

Customers with a non-performing* indicator are either assigned to the credit rating classes 5.0, 5.1 and 5.2 or have been granted restructuring measures again as a result of repeated economic difficulties following an earlier non-performing phase or were more than 30 days overdue in the one-year trial phase following recovery from their non-performing status.

In terms of asset quality, the Raiffeisenlandesbank Oberösterreich Group had the following key figures for loans and advances to customers and banks (including balances with central banks): the NPL ratio as at 30 June 2022 was 2.25% (31 December 2021: 2.14%). Coverage Ratio I amounted as at 30 June 2022 to 33.00% (31 December 2021: 33.01%), Coverage Ratio II was at 82.07% (31 December 2021: 82.86%).

Structure of non-performing* credit risk exposures by overdue bands

Gross carrying amounts of financial assets that are considered non-performing*:

	not impaired or up to 30 days		31 to 60 days		61 to 90 days		over 90 days	
IN EUR '000	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
Loans and advances to banks	0	0	0	0	0	0	0	292
Loans and advances to customers	649,083	615,989	18,674	14,997	6,160	8,445	229,748	212,300
Financial assets	2,285	1,929	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	0
Financial guarantees	32,963	41,699	0	0	0	0	0	0
Loan approvals	37,685	51,701	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0	0	0	0	0
Total	**722,016**	**711,318**	**18,674**	**14,997**	**6,160**	**8,445**	**229,748**	**212,592**

Loan loss allowances for financial assets that are considered non-performing*:

	not impaired or up to 30 days		31 to 60 days		61 to 90 days		over 90 days	
IN EUR '000	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
Loans and advances to banks	0	0	0	0	0	0	0	292
Loans and advances to customers	175,089	178,093	3,978	1,673	767	1,506	118,396	99,657
Financial assets	905	657	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	0
Financial guarantees	21,979	21,530	0	0	0	0	0	0
Loan approvals	6,866	25,073	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0	0	0	0	0
Total	**204,839**	**225,353**	**3,978**	**1,673**	**767**	**1,506**	**118,396**	**99,949**

Carrying amounts of financial assets that are considered non-performing*:

	not impaired or up to 30 days		31 to 60 days		61 to 90 days		over 90 days	
IN EUR '000	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
Loans and advances to banks	0	0	0	0	0	0	0	0
Loans and advances to customers	473,993	437,896	14,696	13,323	5,393	6,939	111,352	112,643
Financial assets	1,379	1,272	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	0
Financial guarantees	10,984	20,169	0	0	0	0	0	0
Loan approvals	30,820	26,628	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0	0	0	0	0
Total	**517,176**	**485,965**	**14,696**	**13,323**	**5,393**	**6,939**	**111,352**	**112,643**

* Performing vs. non-performing according to Article 47a CRR

Collateral for non-performing* credit risk exposures by overdue bands

The following value-based collateral exists for the non-performing* financial assets:

	not impaired or up to 30 days		31 to 60 days		61 to 90 days		over 90 days	
IN EUR '000	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021	30 June 2022	31 Dec. 2021
Loans and advances to banks	0	0	0	0	0	0	0	0
Loans and advances to customers	337,406	312,295	13,484	12,612	4,828	6,283	87,713	93,593
Financial assets	0	0	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	0
Financial guarantees	4,152	3,338	0	0	0	0	0	0
Loan approvals	11,003	12,152	0	0	0	0	0	0
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0	0	0	0	0
Total	**352,561**	**327,785**	**13,484**	**12,612**	**4,828**	**6,283**	**87,713**	**93,593**

Securities values include deductions, are reviewed promptly and correspond to a conservative estimate of the proceeds that could be expected over the long term from recovery of the securities.

As at 30 June 2022, 65.4% (31 December 2021: 65.3%) of the total collateral values for non-performing* credit risk exposures consisted of collateral in immovable assets (e.g. mortgages, rankings).

The age structure is accounted for on the basis of individual accounts without consideration of the materiality thresholds, as in accordance with Article 178 CRR.

* Performing vs. non-performing according to Article 47a CRR

Appropriated securities

Securities taken into possession by Raiffeisenlandesbank Oberösterreich Group is sold in an orderly and proper manner, and the proceeds from the sale are applied to the repayment of the loan or advance concerned. Appropriated securities are not generally used in the bank's own operations. The principal objective is to dispose of these properties within an appropriate time-frame. In cases where the disposal of a property proves difficult, alternative uses will be considered, especially letting the property. As at 30 June 2022 and 31 December 2021, no collateral taken into possession was included in the statement of financial position.

Forbearance

Financial assets (carrying amounts) that were subjected to forbearance-relevant measures as at the end of the financial year were structured as follows:

Performing* IN EUR '000	**31 Dec. 2021**	**Additions H1 2022**	**Disposals H1 2022**	**30 June 2022**
Loans and advances to customers	591,383	155,322	-102,565	644,139
Assets held for sale	249	0	-249	0
Loan approvals	23,105	19,433	-11,747	30,791
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0
Total	**614,737**	**174,755**	**-114,561**	**674,930**
Loan loss allowances*	14,250	6,986	-6,184	15,052
Loan loss allowance** for exposures held for sale in accordance with IFRS 5	6	0	-6	0

Non-performing* IN EUR '000	**31 Dec. 2021**	**Additions H1 2022**	**Disposals H1 2022**	**30 June 2022**
Loans and advances to customers	222,818	56,444	-56,527	222,735
Assets held for sale	0	0	0	0
Loan approvals	5,736	8,022	-2,603	11,156
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0
Total	**228,554**	**64,466**	**-59,129**	**233,890**
Loan loss allowances*	138,791	38,517	-31,009	146,299
Loan loss allowance** for exposures held for sale in accordance with IFRS 5	0	0	0	0

Performing IN EUR '000	**31 Dec. 2020**	**Additions H1 2021**	**Disposals H1 2021**	**30 June 2021**
Loans and advances to customers	604,949	132,278	-143,431	593,795
Assets held for sale	0	30,814	0	30,814
Loan approvals	12,419	14,275	-3,496	23,196
Held for sale in accordance with IFRS 5 – off balance sheet	0	209	0	209
Total	**617,368**	**177,576**	**-146,927**	**648,014**
Loan loss allowances*	12,483	5,911	-3,879	14,514
Loan loss allowance** for exposures held for sale in accordance with IFRS 5	0	353	0	353

Non-performing including POCI*** IN EUR '000	**31 Dec. 2020**	**Additions H1 2021**	**Disposals H1 2021**	**30 June 2021**
Loans and advances to customers	236,356	60,311	-73,570	223,097
Assets held for sale	0	3,618	0	3,618
Loan approvals	16,095	1,639	-7,037	10,697
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0
Total	**252,451**	**65,568**	**-80,607**	**237,413**
Loan loss allowances*	106,520	28,970	-31,626	103,863
Loan loss allowance** for exposures held for sale in accordance with IFRS 5	0	1,235	0	1,235

* Performing vs. non-performing in accordance with Article 47a CRR
** Loan loss allowances in accordance with IFRS 9
*** Non-performing in accordance with the European Banking Authority's Implementing Regulation 680/2014

“Forbearance” means measures which are characterised by the fact that conditions of the facility agreement are changed in favour of the borrower (e.g. deferred payments) or loans are refinanced because the borrower can no longer fulfil the existing conditions due to financial difficulties. A borrower’s financial hardship and alterations to the loan agreement do not necessarily always result in losses for the lending institution. Should the lending institution experience losses as a result of forbearance measures, appropriate value adjustment measures in accordance with IFRS 9 will be undertaken for Stage 3.

Other changes to loan agreements that are not related to the borrower’s experience of financial hardship are to be qualified as market-induced measures.

In the context of the COVID-19 pandemic, statutory and private moratoria were concluded. Due to a Europe-wide directive from the European Banking Authority related to the coronavirus crisis, deferral measures within the scope of a moratorium are neither forbearance measures nor crisis-related restructurings if certain conditions are met. All other measures were subject to the usual review process at Raiffeisenlandesbank Oberösterreich.

Value adjustment stages pursuant to IFRS 9 by rating classes

The gross carrying amounts and the corresponding final balances of loan loss allowances for loans and advances to banks, loans and advances to customers, financial assets, financial guarantees and credit risks measured at Amortised cost (AC) or at fair value through other comprehensive income (FVTOCI) are broken down per stage according to the 10-level rating scale as follows:

IN EUR '000	30 June 2022				
Rating class	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount per stage according to w-note					
0.5	6,796,174	357	0	0	6,796,531
1.0	11,631,629	13,995	0	0	11,645,624
1.5	10,417,518	333,606	0	0	10,751,124
2.0	10,349,879	1,103,340	0	191	11,453,410
2.5	4,872,202	1,065,008	0	1,646	5,938,856
3.0	2,889,382	1,489,799	0	1,143	4,380,324
3.5	680,538	1,625,751	0	462	2,306,751
4.0	77,660	247,147	0	566	325,373
4.5	59,130	145,100	0	157	204,387
5.0	0	0	947,720	27,065	974,785
No rating	100,826	4,148	0	0	104,974
Total	**47,874,938**	**6,028,251**	**947,720**	**31,230**	**54,882,139**
Loan loss allowances per stage according to w-note					
0.5	-21	0	0	0	-21
1.0	-1,981	-8	0	0	-1,989
1.5	-9,074	-1,871	0	0	-10,945
2.0	-21,611	-7,898	0	623	-28,886
2.5	-16,785	-8,958	0	721	-25,022
3.0	-20,462	-28,450	0	484	-48,428
3.5	-8,293	-39,590	0	1,606	-46,277
4.0	-1,032	-13,745	0	-106	-14,883
4.5	-314	-13,245	0	-11	-13,570
5.0	0	0	-319,647	-7,656	-327,303
No rating	-28	-14	0	0	-42
Total	**-79,601**	**-113,779**	**-319,647**	**-4,339**	**-517,366**
Total carrying amount	**47,795,337**	**5,914,472**	**628,073**	**26,891**	**54,364,773**

IN EUR '000 Rating class	31 Dec. 2021 Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount per stage according to w-note					
0.5	7,887,218	358	0	0	7,887,576
1.0	10,439,830	81,499	0	0	10,521,329
1.5	9,983,351	528,587	0	0	10,511,938
2.0	9,134,791	1,009,203	0	222	10,144,216
2.5	4,755,123	1,085,547	0	1,786	5,842,456
3.0	2,625,044	1,775,210	0	336	4,400,590
3.5	1,174,651	1,612,342	0	0	2,786,993
4.0	78,106	354,867	0	1,152	434,125
4.5	64,927	130,755	0	0	195,682
5.0	0	0	913,046	31,093	944,139
No rating	95,858	5,026	0	0	100,884
Total	**46,238,899**	**6,583,394**	**913,046**	**34,589**	**53,769,928**
Loan loss allowances per stage according to w-note					
0.5	-107	0	0	0	-107
1.0	-4,305	-137	0	0	-4,442
1.5	-7,205	-1,835	0	0	-9,040
2.0	-11,938	-6,936	0	643	-18,231
2.5	-11,854	-7,864	0	755	-18,963
3.0	-14,159	-25,537	0	500	-39,196
3.5	-10,852	-35,635	0	0	-46,487
4.0	-833	-14,111	0	-92	-15,036
4.5	-339	-6,793	0	0	-7,132
5.0	0	0	-320,699	-7,123	-327,822
No rating	-135	-7	0	0	-142
Total	**-61,727**	**-98,855**	**-320,699**	**-5,317**	**-486,598**
Total carrying amount	**46,177,172**	**6,484,539**	**592,347**	**29,272**	**53,283,330**

Liquidity risk

The liquidity risk encompasses the risk of not being able to fulfil one's payment obligations by the due date or, in the case of a liquidity shortage, of not being able to acquire enough liquidity at the terms expected (structural liquidity risk).

Ensuring that there is sufficient liquidity takes top priority at Raiffeisenlandesbank Oberösterreich as the central institution for the Raiffeisen Banking Group Upper Austria. Liquidity must be ensured at all times.

Liquidity management and liquidity risk are managed under a standardised model for each sector which, besides normal circumstances, also encompasses stress scenarios arising from reputational risk, systemic risk, a non-performing loan or a crisis involving several risks.

The LCR (liquidity coverage ratio) for the highest-level financial holding entity (CRR basis RBG OÖ Verbund eGen) as at 30 June 2022 was 160.4% (31 December 2021: 186.1%), and therefore clearly exceeded the LCR of 100% required from banks. This demonstrates the good liquidity situation of the Raiffeisenlandesbank Oberösterreich Group.

The survival period as at 30 June 2022 was greater than 365 days, well above the minimum period of 30 days stipulated in the CEBS (Committee of European Banking Supervisors) guidelines.

With regard to its long-term issuer rating, Raiffeisenlandesbank Oberösterreich is rated A3 by Moody's (raised from Baa1 on 2 August 2022).

The Bank's liquidity supply remained sufficiently guaranteed at all times despite the generally tense geopolitical situation, especially at the beginning of the Ukraine crisis.

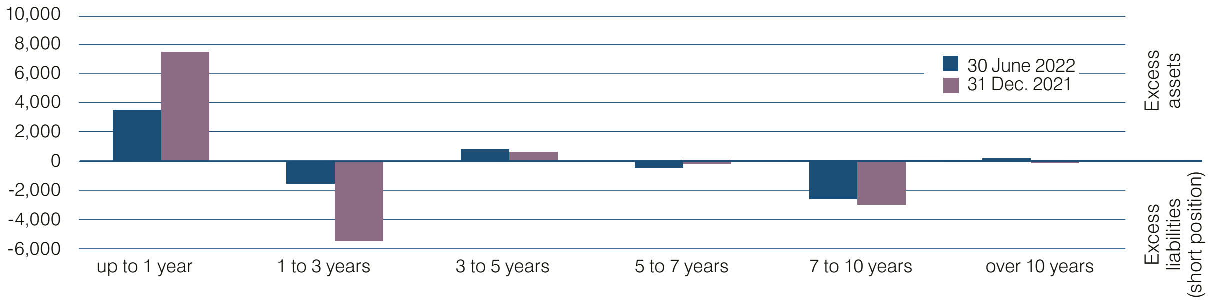
The following table summarises the maturities of the non-discounted liabilities including the respective interest payments and depicts the earliest possible utilisation of guarantees and credit approvals:

30 June 2022 IN EUR '000	**payment on demand/ without a term**	**up to 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Amounts owed to banks	4,685,714	983,198	4,246,550	8,098,987	2,768,228	20,782,678
Amounts owed to customers	8,256,948	595,461	1,584,063	1,488,980	1,233,945	13,159,397
Liabilities evidenced by certificates	-2,994	302,861	1,102,452	4,570,445	4,057,715	10,030,479
Trading liabilities	0	9,181	112,994	513,054	537,347	1,172,575
Subordinated capital	0	21,590	83,267	480,895	580,126	1,165,878
Liabilities in conjunction with assets held for sale	0	0	0	0	0	0
Total	**12,939,668**	**1,912,291**	**7,129,326**	**15,152,361**	**9,177,361**	**46,311,007**
Contingent liabilities	3,193,030	0	0	0	0	3,193,030
Loan approvals	7,718,550	0	0	0	0	7,718,550
Held for sale in accordance with IFRS 5 – off balance sheet	0	0	0	0	0	0

31 Dec. 2021 IN EUR '000	**payment on demand/ without a term**	**up to 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Amounts owed to banks	4,800,266	961,783	627,663	11,164,268	2,850,458	20,404,439
Amounts owed to customers	9,019,516	819,326	1,094,815	1,546,422	1,369,707	13,849,784
Liabilities evidenced by certificates	-2,999	475,332	653,148	4,473,036	3,570,768	9,169,285
Trading liabilities	0	76,699	105,560	426,428	643,699	1,252,386
Subordinated capital	25,000	61,157	81,243	451,458	625,224	1,244,082
Liabilities in conjunction with assets held for sale	0	0	0	0	0	0
Total	**13,841,783**	**2,394,298**	**2,562,429**	**18,061,612**	**9,059,856**	**45,919,976**
Contingent liabilities	2,889,016	0	0	0	0	2,889,016
Loan approvals	7,141,198	0	0	0	0	7,141,198
Held for sale in accordance with IFRS 5 – off balance sheet	921	0	0	0	0	921

From the gap analysis below it can be seen that the low liquidity risk in the individual maturity bands is low. For the ongoing liquidity balancing, there is a high potential for securities available for tender transactions with the ECB and the Swiss National Bank as well as for other repurchase agreements. A significant part of this collateral potential (EUR 7.4 billion, of which EUR 618 million was subsequently made available to the Upper Austrian Raiffeisen banks) has already been realised in 2021 – not least due to the favourable conditions of the ECB's long-term tender (TLTRO III). A large part of these funds is currently in the central bank account. Part of TLTRO III already falls within the maturity band of up to one year as of 30 June 2022, which explains the shift compared to 31 December 2021. The maturity structure of the liquidity buffer does not show any significant concentration of expiring securities within the next three years, apart from retained underlying own issues, which can be re-issued at maturity due to the cover pool reserved for this purpose. The vast majority of securities held as a liquidity buffer have a residual term of more than three years.

Liquidity gaps CRR basis of RBG OÖ Verbund eGen in EUR million*



* Items without a fixed capital commitment are analysed in light of more realistically described historical developments and are modelled as at 30 June 2022; values as at 31 December 2021 are also described using this new method.

Equity investment risk

Equity investment risk covers potential losses caused by dividends not paid, adjustments, disposal losses, regulatory funding obligations, strategic financial restructuring responsibilities and the reduction of hidden reserves.

The Raiffeisenlandesbank Oberösterreich Group has a broadly diversified equity investment portfolio. A value-at-risk model is used to assess the risk potential from equity investments, which, on the basis of external valuations (generally on the basis of discounted cash flow-based expert valuations), calculates statistically significant iterations to these expert valuations and then compares the calculated value-at-risk figures (confidence interval: 99.9%) with the expert valuation, thereby determining the corresponding risk potential for the economic perspective (99.9%) for each individual investment.

On a quarterly basis, the risk potentials determined in accordance with the simulation model (economic perspective 99.9%) and risk coverage from investment companies are used in the risk-bearing capacity analyses conducted periodically at the overall bank level. The Risk Controlling organisational unit produces a quarterly report on equity investment risk.

The following table presents the carrying amounts of equity investments held by the Raiffeisenlandesbank Oberösterreich as at 30 June 2022 and 31 December 2021, organised by risk classes. The quality of the financial assets – based on the internal rating – is presented below:

Very low / low risk:	Rating classes 0.5 to 1.5
Normal risk:	Rating classes 2+ to 3+
Increased risk:	Rating classes 3 and poorer

	Very low or low risk		Normal risk		Increased risk		No rating	
IN EUR '000	**06/2022**	**12/2021**	**06/2022**	**12/2021**	**06/2022**	**12/2021**	**06/2022**	**12/2021**
Banks	1,313,033	1,409,927	0	0	438	7,665	403	404
Non-banks	1,242,264	1,319,184	229,100	328,179	48,147	83,327	1,828	458
Total	**2,555,297**	**2,729,111**	**229,100**	**328,179**	**48,585**	**90,992**	**2,231**	**862**

Equity exposures are generally subject to higher risks compared to credit exposures.

In the equity investment risk model, the exposure of the investments forms the starting point for determining the absolute risk value per investment. If market values in the sense of stock exchange prices are available for the investments, these are primarily used to determine the exposure. This is particularly the case for the major shareholdings in the RBI Group, voestalpine AG and AMAG Austria Metall AG.

Due to significantly falling share prices in the course of the first half of 2022, which are mainly attributable to the Russia-Ukraine conflict, there was a corresponding year-on-year reduction in the exposure values and thus in the reported investment risk.

Operational risk

Raiffeisenlandesbank Oberösterreich defines operational risk as the risk of loss caused by the inappropriateness or failure of internal processes, people or systems, or caused by external events. Operational risk includes legal and reputational risks. Raiffeisenlandesbank Oberösterreich uses the basic indicator approach to quantify operational risk as part of its overall bank risk management.

Raiffeisenlandesbank Oberösterreich uses both organisational measures and IT systems to limit this type of risk as far as possible. A high degree of security is attained by means of limit systems, competence regulations, a risk-adequate internal control system, a comprehensive security manual as a code of conduct and directive, as well as scheduled and unscheduled audits by Internal Audit. The operative management of this type of risk involves risk discussions and analyses with managers (early warning system). And the systematic recording of errors in a database for analysis (ex-post analysis).

Other risk

Raiffeisenlandesbank Oberösterreich takes into account other, non-quantifiable risks in terms of risk-bearing capacity by means of a risk buffer. These include: strategic risk, equity risk, systemic risk, income and business risk, risk of excessive indebtedness, remaining risk from techniques used to reduce credit risks, risks from money laundering and the financing of terrorism.

Risk-bearing capacity analysis

The risk-bearing capacity analysis compares the aggregated overall bank risk of the group, organised by credit risks, market risks, equity investment risks, refinancing risks (as a measurement parameter for liquidity risk), operational risks, and other risks to risk coverage. This comparison of the risks with the available coverage depicts the risk-bearing capacity from an economic perspective (99.9%).

As a result, from the economic perspective (99.9%), the cover fund is composed of equity, hidden reserves/liabilities, and deductible items. Macroeconomic risk, among other things, is taken into account in the deduction items.

This comparison enables the Raiffeisenlandesbank Oberösterreich Group to guarantee that it can cover unexpected losses from its own funds without major negative effects. Economic capital serves as a risk measure for calculating unexpected losses. It is defined as the minimum amount of capital necessary to cover unexpected losses with a probability of 99.9% within one year.

The following table shows the economic capital for the Raiffeisenlandesbank Oberösterreich Group as at 30 June 2022, by type of risk as compared to the previous year (confidence level 99.9%):

Details regarding risk capital

Segment / Type of risk	Corporates		Retail & Private Banking		Financial Markets		Equity Investments		Corporate Center		Total	
IN EUR MILLIONS	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021	06/2022	12/2021
Market risk[1]	1.1	0.0			479.1	479.1	8.9	2.7			489.1	481.8
Credit risk[2]	774.7	883.0	79.7	118.8	101.1	98.0	24.2	26.1	94.1	75.1	1,073.9	1,201.0
Equity investment risk	31.9	35.3					1,016.0	1,093.3			1,047.9	1,128.6
Refinancing risk					0.0	0.0					0.0	0.0
Operational risk[3]	45.7	49.1	12.4	17.4	13.4	25.1	41.5	22.6	5.6	4.5	118.6	118.7
Others risks/buffers[3]	13.5	14.5	3.7	5.1	3.9	7.4	12.3	6.7	1.6	1.3	35.0	35.0
Total	**866.9**	**981.9**	**95.8**	**141.3**	**597.5**	**609.6**	**1,102.9**	**1,151.4**	**101.3**	**80.9**	**2,764.5**	**2,965.1**
RWA	**18,695.0**	**17,822.8**	**2,244.9**	**2,317.2**	**1,185.5**	**1,310.7**	**6,342.8**	**6,294.6**	**937.9**	**1,002.7**	**29,406.1**	**28,748.0**

[1] Market risks are incurred in the Financial Markets, Investments and Corporates segments. The spread risk from M-bonds is allocated entirely to the market risk. This is why market risk is also incurred to some extent in the Corporates segment. The risk of ILG is allocated to Participations.

[2] Credit risks are also incurred in the Corporate Center because financing is also allocated to this segment in the IFRS statements. The CVA risk is allocated to Financial Markets.

[3] Operational risks and the risk buffer were distributed proportional to the three-year-average income.

The assignment of risk capital and the RWAs follows the asset allocation as performed in the IFRS consolidated financial statements of Raiffeisenlandesbank Oberösterreich.

Institutional protection scheme

Raiffeisen Banking Group Upper Austria

The Raiffeisen Banking Group Austria (RBG Ö) is Austria's largest banking group with around 327 local Raiffeisen Banks, eight regional Raiffeisen Banks and Raiffeisen Bank International AG in Vienna. Some 1.7 million Austrians are members and thus co-owners of Raiffeisen banks.

Raiffeisen Banking Group Upper Austria (RBG OÖ) is made up of a central institution, Raiffeisenlandesbank Oberösterreich AG, and 75 Raiffeisen banks with a total of 403 bank branches.

About 310,000 Upper Austrians are co-owners of the Upper Austrian Raiffeisen banks.

As credit institutions within the network of a co-operative society, the Raiffeisen banks are bound to the principles of subsidiarity, solidarity and regionalism.

A new Raiffeisen IPS agreement was created with the IPS agreement dated 15 March 2021, replacing the previous IPS structure consisting of federal state IPSs and a national federal IPS. The new Raiffeisen IPS represents an institution-related protection scheme pursuant to Articles 49 (3) and 113 (7) CRR and has also been recognised as a deposit protection scheme.

The structure of the uniform Raiffeisen IPS is such that there are eight federal state groups within this IPS, consisting of the respective Landesbank and the Raiffeisen banks, as well as one federal group, consisting of the RBI and the eight Landesbanks.

The basis for the uniform Raiffeisen IPS is the uniform and joint risk monitoring within the framework of the early detection system of Österreichische Raiffeisen-Sicherungseinrichtung eGen (ÖRS), which is responsible for managing the Raiffeisen IPS. The Raiffeisen IPS also serves to ensure sufficient liquidity and solvency (solvency and minimum capital resources) of the parties to the agreement.

In Upper Austria, all members of the former L-IPS passed the necessary resolutions to join the new Raiffeisen-IPS. All members represented in the former L-IPS have therefore now also joined the new Raiffeisen-IPS.

Aid association of the RBG OÖ Raiffeisen-Kredit-Garantiegesellschaft m.b.H.

Together, the Upper Austrian Raiffeisen banks have established a joint aid association with Raiffeisenlandesbank Oberösterreich AG (joint aid association of RBG OÖ and Raiffeisen-Kredit-Garantiegesellschaft m.b.H.), which ensures that in case of economic problems the distressed institutions receive help through adequate measures.

Deposit guarantee scheme

The new Austrian Deposit Guarantee Scheme and Investor Compensation Act (ESAEG), which implements a European Directive, came into force in mid-August 2015. All member institutions of Raiffeisen Banking Group Upper Austria are joint members of the "Österreichischen Raiffeisen-Sicherungseinrichtung eGen".

The Act anticipates the establishment of a deposit guarantee scheme that is stocked by annual contributions from banks. The target volume, which must be reached by 2024, is 0.8% of covered deposits. If these funds are insufficient in the event of loss, the banks may be required to provide an additional 0.5% of the covered deposits annually.

Deposits are secured up to EUR 100,000 per customer per institute. This applies to both natural and legal entities. Not covered are all deposits listed in section 10 (1) of the Austrian Deposit Guarantee Scheme and Investor Compensation Act (ESAEG) (including deposits from financial institutions, securities firms, insurance companies, pension funds and government agencies).

Covered deposits must be reimbursed within seven working days of the occurrence of a collateral event.

Until 31 December 2018, the Austrian deposit guarantee scheme was divided into sectors. All member institutions of Raiffeisen Banking Group Upper Austria were joint members of the "Austrian Raiffeisen-Einlagensicherung eGen" via the Upper Austrian state deposit guarantee scheme. As of 1 January 2019, they joined the AUSTRIA deposit guarantee scheme in their entirety.

Due to the deposit guarantee scheme cases Anglo Austrian AAB AG (formerly Meinl Bank AG) and Commerzialbank Mattersburg im Burgenland AG there were additional burdens on the fund contributions. In the Raiffeisen sector, this led to the re-establishment of a separate Raiffeisen deposit guarantee scheme ("Österreichische Raiffeisen-Sicherungseinrichtung eGen"), which has been active since 29 November 2021.

Another guarantor for the security of deposits is the Austria-wide institutional protection scheme (Raiffeisen-IPS), which was newly founded in 2021 and which both Raiffeisenlandesbank Oberösterreich and all Upper Austrian Raiffeisen banks have joined.

The deposit guarantee case of Sberbank Europe AG, which occurred at the beginning of March this year, was satisfactorily resolved by returning 100% of all funds paid by the Upper Austrian member institutions to ÖRS.

Bank Recovery and Resolution Act (BaSAG)

The Banking Recovery and Resolution Directive (BRRD) came into force with effect from 1 Jan. 2015 with the establishment of a Europe-wide banking union by the European Union. The Bank Recovery and Resolution Act (BaSAG) implemented the BRRD into Austrian law effective 1 January 2015. This Act requires every bank domiciled in Austria, and that is not part of a group which is subject to consolidated supervision, to create a recovery plan in accordance with the requirements defined in the BaSAG and to update this on an annual basis. As the EU parent company the RBG OÖ Verbund eGen created the 2021 group recovery plan based on this legal position, and this includes the specifics related to Raiffeisenlandesbank Oberösterreich.

A resolution plan will be created by the resolution authority and reviewed at least once per year and updated as necessary.

For the purposes of the stress test associated with the recovery plan under the BaSAG, the bank's recovery potential was ascertained in two different scenarios, whereby both a systemic crisis and a combined crises were considered, in the characteristics slow and slow/rapid. The scenarios meet the criteria of the EBA Guideline 2014/06 in terms of stringency.

So that crises can be identified at an early stage, early warning indicators are set out in a comprehensive framework concept aimed at ensuring that there is adequate time for implementing suitable countermeasures. The set of indicators selected meets the minimum requirements for qualitative and quantitative indicators in accordance with the EBA Guidelines. Additional indicators were also selected by the organisation itself, meaning a total set of 28 indicators is monitored and regular reports are submitted to the Managing Board.

Raiffeisenlandesbank Oberösterreich is obliged by statute to make an annual contribution to the Single Resolution Fund ("SRF") at the European level. The contribution to the resolution fund is stipulated by the supervisory authority responsible in accordance with the deposits not guaranteed in association with the bank's risk profile. If the funds available are not sufficient for the purposes of covering losses, costs and other expenses associated with utilising the fund as a resolution mechanism, extraordinary contributions are collected in order to cover the additional expenses.

The scope of application extends to all banks operating within the eurozone. Non-euro states are able to participate in the SRF on a voluntary basis.

OTHER INFORMATION

Information regarding associated companies and persons

The ultimate parent company is RBG OÖ Verbund eGen which is not operationally active, apart from its function as a holding company. The “superordinate companies” also include RLB Holding eGen OÖ, which is controlled by RBG OÖ Verbund eGen with more than 50% of the shares and in turn owns 1.08% of the ordinary shares in Raiffeisenlandesbank Oberösterreich AG.

The “Subsidiaries (non-consolidated)” category contains all subsidiaries which are not fully consolidated for reasons of significance. The “Associated companies” category shows details regarding companies with significant influence, incl. the companies accounted for using the equity method. The “Joint enterprises” category includes all companies in which Raiffeisenlandesbank Oberösterreich is a partner company as part of a joint enterprise. The category of “Members of the Management in Key Positions” covers the Managing Board and Supervisory Board members of Raiffeisenlandesbank Oberösterreich. The category of “Other associated companies and persons” shows details of close family members of the management in key positions (incl. their companies).

Information regarding associated companies and persons as at 30 June 2022

IN EUR ’000	Parent company	Subsidiaries (non-consolidated)	Associated companies	Joint enterprises
Loans and advances to banks	0	0	4,620,220	0
Loan loss allowance for loans and advances to banks	0	0	329	0
Loans and advances to customers	0	100,776	840,086	54,164
Loan loss allowance for loans and advances to customers	0	256	7,572	600
Trading assets	0	0	185,106	0
Financial assets	403	108,503	920,911	331
Loan loss allowance for securities	0	0	37	2
Equity-accounted companies	0	0	1,599,247	374,807
Other assets	0	19,771	15,722	3
Loan loss allowance for receivables from non-bank activities	0	0	0	0
Assets held for sale	0	0	0	0
Amounts owed to banks	0	18,683	1,056,812	0
Amounts owed to customers	5,979	66,345	235,148	71
Trading liabilities	0	0	67,917	0
Liabilities evidenced by certificates	0	0	0	0
Provisions	0	0	0	0
Other liabilities	0	3,622	2,180	658
Liabilities in conjunction with assets held for sale	0	0	0	0
Subordinated capital	0	0	25,000	0
Granted loan commitments, financial guarantees and other commitments	403	4,599	511,851	5,786
Received loan commitments, financial guarantees and other commitments	0	0	4,049	0

Related party disclosures for H1 2022

IN EUR ’000	Parent company	Subsidiaries (non-consolidated)	Associated companies	Joint enterprises
Net interest income	0	4,089	16,552	470
Additions to allowances for losses on loans and advances	0	-90	-83	-9
Loan loss allowance reversal	0	10	3,485	20
Share of profit or loss of equity-accounted companies	0	0	-146,908	-228,094
Direct impairment losses	0	0	0	0
Amounts received against loans and advances written off	0	0	0	0

Information regarding associated companies and persons as at 31 December 2021

IN EUR '000	Parent company	Subsidiaries (non-consolidated)	Associated companies	Joint enterprises
Loans and advances to banks	0	0	4,699,516	0
Loan loss allowance for loans and advances to banks	0	0	2,451	0
Loans and advances to customers	0	135,618	894,884	1,409
Loan loss allowance for loans and advances to customers	0	119	2,771	39
Trading assets	0	0	201,641	0
Financial assets	403	110,787	878,035	326
Loan loss allowance for securities	0	0	466	18
Equity-accounted companies	0	0	1,689,308	585,150
Other assets	0	12,396	9,962	66
Loan loss allowance for receivables from non-bank activities	0	0	0	0
Assets held for sale	0	34,639	0	0
Amounts owed to banks	0	19,315	813,760	0
Amounts owed to customers	5,604	70,915	344,644	30
Trading liabilities	0	0	35,734	0
Liabilities evidenced by certificates	0	0	0	0
Provisions	0	0	0	0
Other liabilities	0	1,513	2,824	300
Liabilities in conjunction with assets held for sale	0	0	0	0
Subordinated capital	0	0	25,000	0
Granted loan commitments, financial guarantees and other commitments	403	5,477	445,804	6,049
Received loan commitments, financial guarantees and other commitments	0	0	2,849	71,250

Related party disclosures for H1 2021

IN EUR '000	Parent company	Subsidiaries (non-consolidated)	Associated companies	Joint enterprises
Net interest income	0	1,596	27,106	880
Additions to allowances for losses on loans and advances	0	-164	-826	-34
Loan loss allowance reversal	0	120	3,730	30
Share of profit or loss of equity-accounted companies	0	0	78,650	32,219
Direct impairment losses	0	0	0	0
Amounts received against loans and advances written off	0	0	0	0

There are advances, loans, and liabilities to members of the Managing Board as at 30 June 2022 of EUR 1,547 thousand (31 December 2021: EUR 1,598 thousand) and to members of the Supervisory Board of EUR 376 thousand (31 December 2021: EUR 290 thousand). Loans to members of the Managing Board and the Supervisory Board are granted on standard banking industry terms. Repayments are made as agreed.

There are liabilities towards members of the Managing Board and the Supervisory Board amounting to EUR 4,677 thousand (31 December 2021: EUR 4,171 thousand).

As at 30 June 2022, advances, loans, and liabilities amounting to EUR 3,844 thousand (31 December 2021: EUR 3,714 thousand) exist towards associated persons and companies and (other) liabilities amounting to EUR 3,145 thousand (31 December 2021: EUR 2,162 thousand).

Standard market conditions are applied in business relationships with related companies and individuals.

Off-balance-sheet commitments

As at the reporting date, the following off-balance sheet obligations existed*:

IN EUR '000	30 June 2022	31 Dec. 2021
Contingent liabilities	**3,193,031**	**2,889,016**
of which from guarantees, warranties and letters of credit	3,192,368	2,887,999
of which from other contingent liabilities	663	1,018
Loan approvals	**7,718,550**	**7,142,118**

* Off-balance sheet liabilities in accordance with IFRS 5 include off-balance sheet transactions held for sale as at 30 June 2022 in the amount of EUR 0 thousand (31 December 2021: EUR 923 thousand).

INFORMATION REQUIRED UNDER AUSTRIAN ACCOUNTING STANDARDS

Regulatory consolidated capital pursuant to section 64 (1) (16 et seq.) of the Austrian Banking Act

As of 1 January 2014, Regulation (EU) No 575/2013 (Capital Requirements Regulation, CRR) and Directive (EU) No 36/2013 (Capital Requirements Directive, CRD IV) came into force for the implementation of Basel III. In addition, the supplementary Austrian CRR Implementing Regulation specifies how the CRR's transitional provisions are to be implemented in Austria. These statutory regulations mean that banks will have to comply with significantly higher equity ratios and tighter liquidity requirements.

Consolidated equity at the level of the uppermost finance holding (RBG OÖ Verbund eGen, a registered co-operative society) breaks down as follows in accordance with the CRR:

IN EUR '000	30 June 2022	31 Dec. 2021
Capital instruments and the premium linked to them	1,032,857	1,032,857
Retained earnings	3,730,440	4,044,394
Accumulated other net gains/losses	-206,093	-206,093
Eligible Common Equity Tier 1 (CET 1) minority holdings (incl. transitional regulations)	14,117	13,532
Common Equity Tier 1 (CET 1) capital prior to regulatory adjustments (corrections and deductions)	**4,571,321**	**4,884,690**
Prudential filters correction	-8,702	-8,355
Intangible assets deduction (incl. goodwill)	-78,136	-71,221
Deductions for deferred taxes	-9,265	-9,265
Deduction of common Tier 1 capital instruments from companies in the financial sector	-130,216	-79,562
Items to be deducted from the items of additional Tier 1 capital, exceeding the additional Tier 1 capital	-23,765	-26,293
Insufficient coverage of non-performing risk positions	-2,364	-808
Other transition adjustments to common Tier 1 capital	0	0
Other deductions and components related to the common Tier 1 capital	-94,199	-94,569
Common Tier 1 capital (CET 1)	**4,224,674**	**4,594,616**
Eligible additional Tier 1 (AT 1) minority holdings (incl. transitional regulations)	2,347	2,294
Deduction of additional Tier 1 capital instruments from companies in the financial sector	-26,112	-28,587
Other transition adjustments to additional Tier 1 capital	0	0
Items to be deducted from the items of additional Tier 1 capital exceeding the additional Tier 1 capital (deduction from common Tier 1 capital)	23,765	26,293
Additional Tier 1 capital (AT 1)	**0**	**0**
Tier 1 capital (Tier 1 = CET 1 + AT 1)	**4,224,674**	**4,594,616**
Grandfathering of capital instruments of Tier 2 capital and subordinated loans	0	3,748
Eligible Common Equity Tier 2 minority holdings (incl. transitional regulations)	457,289	470,613
Tier 2 capital (T 2) before regulatory adjustments	**457,289**	**474,361**
Deductions as well as other transitional adjustments of Tier 2 capital	-43,575	-43,578
Tier 2 capital (T 2)	**413,714**	**430,783**
Total capital (TC = T 1 + T 2)	**4,638,388**	**5,025,399**

The risk-weighted assets (RWAs) are divided up as follows:

IN EUR '000	30 June 2022	31 Dec. 2021
Own funds requirements for credit, counterparty and dilution risk	27,768,185	27,130,416
Own funds requirements for processing and delivery risks	0	0
Own funds requirements for position, foreign currency and commodity risks	72,084	67,963
Own funds requirements for operational risks	1,482,585	1,482,585
Own funds requirements for adjustments to credit evaluation (CVA)	83,293	67,051
Risk-weighted assets	**29,406,147**	**28,748,015**

The capital ratios (phase in) in accordance with CRR are as follows and are calculated in accordance with Article 92 CRR.

IN %	30 June 2022	31 Dec. 2021
Common Equity Tier 1 capital ratio (CET 1 ratio)	14.37	15.98
Tier 1 capital ratio	14.37	15.98
Total capital ratio (TC ratio)	15.77	17.48

In accordance with section 23 of the Austrian Banking Act, the capital maintenance buffer is 2.5%. This must be held in Common Equity Tier 1 capital.

In accordance with section 7 of the Capital Buffer Regulation (KP-V), a capital buffer ratio for systemic vulnerability (systemic risk buffer) and a buffer for globally systemically important institutions (G-SIIs) of 0.5% each were prescribed on an individual basis by the FMA for Raiffeisenlandesbank Oberösterreich AG based on the consolidated situation of RBG OÖ Verbund eGen as the ultimate financial holding company and for Raiffeisenlandesbank Oberösterreich AG. These were reduced from 1.0% to 0.5% by Federal Law Gazette II No. 245/2021 and since then have to be held on an additive basis.

This anti-cyclical capital buffer is intended to function as an economic corrective measure during times in which credit growth exceeds the growth in GDP. It is equivalent to between 0% and 2.5% of the risk-weighted assets and must be held in Common Equity Tier 1 capital. The relevant supervisory authorities may also stipulate that banks in their countries must maintain an anti-cyclical capital buffer of more than 2.5%.

As at 30 June 2022 the capital buffer ratio for significant risk exposures in Austria was 0%. Raiffeisenlandesbank Oberösterreich's bank-specific anti-cyclical capital buffer was, in accordance with section 23a (1) of the Austrian Banking Act, calculated as the weighted average of the ratios of anti-cyclical capital buffers of the countries in which Raiffeisenlandesbank Oberösterreich has significant credit risk exposures. It is expected that Raiffeisenlandesbank Oberösterreich's anti-cyclical capital buffer in 2022 will, similarly to 2021, be insignificant in size.

Overview of statutory minimum capital requirements

IN %	30 June 2022	31 Dec. 2021
Pillar 1		
Minimum requirement for Common Equity Tier 1 capital in accordance with CRR	4.500	4.500
Capital maintenance buffer	2.500	2.500
Systemic risk buffer	0.500	0.500
Buffer for Systemically Important Institutions (O-SIIs)	0.500	0.500
Anticyclical capital buffer	0.037	0.038
Pillar 2		
Capital requirement above Minimum Capital Requirement (SREP; P2R)	1.125	0.984
Capital requirement for Common Equity Tier 1 capital under Pillar 1 and Pillar 2	**9.162**	**9.022**
Minimum requirement for Common Equity Tier 1 capital in accordance with CRR	1.875	1.828
Capital requirement for Common Equity Tier 1 capital under Pillar 1 and Pillar 2	**11.037**	**10.850**
Minimum requirement for Tier 2 capital in accordance with the CRR	2.500	2.438
Capital requirement for the total capital under Pillar 1 and Pillar 2	**13.537**	**13.288**

In addition to the minimum capital requirements and capital buffer requirements, banks must meet capital requirements in accordance with the Supervisory Review and Evaluation Process (SREP). As a result of this SREP carried out by the ECB, on the level of the CRR basis of RBG OÖ Verbund eGen, Raiffeisenlandesbank Oberösterreich must take into account a Pillar 2 requirement (P2R) in the amount of 2.00% (previous year: 1.75%) in the minimum capital requirements of Pillar 1. This Pillar 2 requirement (P2R) is to be taken into account in the minimum capital requirements of Pillar 1 through 56.25% of Common Equity Tier 1, through 75% of additional Tier 1 capital and 25% Tier 2 capital. In addition, as part of the SREP process, the ECB issued a Pillar 2 guidance (P2G) in the amount of 1.50% (previous year: 1.00%), which must be fully met with Common Equity Tier 1 capital. However, the Pillar 2 recommendation has no effect on the Maximum Distributable Amount (MDA).

Within the framework of equity management, the main focus lies on securing adequate capital resources for the group and ensuring compliance with regulatory own funds requirements for the Group.

Equity capital is a crucial factor in managing a bank. The minimum value is prescribed by Regulation (EU) No 575/2013 (Capital Requirements Regulation, CRR) in combination with Directive (EU) No 36/2013 (Capital Requirements Directive, CRD IV). Accordingly, banks and banking groups must currently back at least 8% of their risk-weighted assets (RWA) with own funds. As a securitisation of RWA with Tier 1 capital, they are currently required to set aside at least 6%.

For its internal management, Raiffeisenlandesbank Oberösterreich applies target values that cover all risk types (including from the trading book, currency risk and operational risk). At the same time, Raiffeisenlandesbank Oberösterreich has also set target ratios that are sufficiently above the legally required Tier 1 capital so as to avoid any regulatory limitations in its managerial decision-making process.

The main focus of attention in this process is on Tier 1 capital. At the same time, the risk-bearing capacity is determined on the basis of regulatory and economic criteria. It is equal to the maximum losses that the bank or the group could incur without falling below the minimum capital requirements. Because there are constraints on capital eligibility, internal management also focuses on the composition of the equity instruments.

Raiffeisenlandesbank Oberösterreich will be in a stable equity and equity capital situation for the next few years – during which the regulatory ratios under Basel III are exceeded and the SREP ratio prescribed by the ECB will be complied with – enabling the bank to continue providing close support to its customers over the long term.

In accordance with section 8 of the Capital Requirements Regulations (CRR), this information is published on Raiffeisenlandesbank Oberösterreich's website (www.rlbooe.at).

Average number of employees in accordance with section 251 of the Austrian Commercial Code

	1 Jan. – 30 June 2022	1 Jan. – 30 June 2021
Salaried employees	4,502	4,358
of which VIVATIS/efko	1,146	1,006
Workers	2,396	1,706
of which VIVATIS/efko	2,373	1,697
Total	**6,898**	**6,064**
of which VIVATIS/efko	3,519	2,703

Geographical distribution according to country-by-country reporting

Country-by-country reporting in the first half of 2022

IN EUR '000	Net interest income	Operating income	Pre-tax profit for the period
Austria	137,908	100,052	-348,102
Czechia	2,980	43,251	37,829
Germany	49,522	72,407	46,547
Croatia	4,431	11,382	4,336
Hungary	-4	2,202	662
Poland	11,696	16,064	11,611
Romania	8,348	15,384	9,701
Slovenia	42	54	52
Slovakia	103	1,982	1,289
Total	**215,026**	**262,778**	**-236,075**

Country-by-country reporting in the first half of 2021

IN EUR '000	Net interest income	Operating income	Pre-tax profit for the period
Austria	138,480	545,394	244,671
Czechia	1,659	6,006	871
Germany	40,648	60,642	34,594
Croatia	3,363	9,391	2,800
Hungary	-4	1,832	290
Poland	5,347	8,815	5,040
Romania	9,035	15,113	10,589
Slovenia	13	28	21
Slovakia	2,250	3,610	-1,209
Total	**200,791**	**650,831**	**297,667**

EVENTS AFTER THE REPORTING DATE

The condensed consolidated interim financial statements as at 30 June 2022 were prepared on 23 August 2022. There were no further events of particular significance after the end of the reporting date.

STATEMENT OF THE MANAGING BOARD

We confirm to the best of our knowledge that these condensed consolidated interim financial statements as at 30 June 2022, prepared according to proper accounting standards, present a true and fair view of the Group's assets, financial position and earnings and that the Group's interim management report presents a true and fair view of the Group's assets, financial position and earnings in respect of the most important events in the first six months of the business year and their effects on the condensed consolidated interim financial statements and in respect of the most significant risks and uncertainties in the remaining six months of the business year.

Linz, 23 August 2022
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz

THE MANAGING BOARD

Heinrich Schaller
Chief Executive Officer

Michaela Keplinger-Mitterlehner
Deputy Chief Executive Officer

Michael Glaser
Member of the Managing Board

Stefan Sandberger
Member of the Managing Board

Reinhard Schwendtbauer
Member of the Managing Board

The responsibilities of the individual members of the Managing Board are presented on the following page.

RESPONSIBILITIES OF THE MANAGING BOARD

CEO
Heinrich Schaller

- **Corporate governance, legal & compliance***
  Sigrid Burkowski
- **Corporate development**
  Michael Nefischer
- **Corporate communication**
  Bernhard Marckhgott
- **Group audit***
  Martin Brandstetter
- **Sustainability management**
  Gerald Baumgartner
- **Human resources management**
  Wolfgang Spitzenberger
- **Strategy RBG OÖ & sector coordination**
  Helmut Kern
- **Treasury Financial Markets**
  Christian Ratz
- **Office of the Managing Board**
  Martin Hain

CMO
Michaela Keplinger-Mitterlehner

- **Bank Direkt**
  Manfred Nosek
- **Corporates Market**
  Robert Eckmair
- **Retail Banking**
  Richard Leitner
  Klaus Hagleitner
  Friedrich Führer
- **PRIVAT BANK**
  Waltraud Perndorfer
- **Sales Corporate Banking**
  Wolfgang Aschenwald
- **Distribution management Private banking**
  Uwe Hanghofer
- **Investment company**
  Andreas Lassner-Klein

CRO
Michael Glaser

- **Financing management**
  Wilhelm Kampelmüller
- **Risk management credit, reporting, operational risk**
  Herbert Melicha
- **Risk management, ICAAP & market risk**
  Hannes Schwingenschuh

COO
Stefan Sandberger

- **IT and digitalisation**
  Manuel Schwarzinger
- **Operations**
  Alexander Nyiri
- **Product portfolio management**
  Paul Kaiser
- **Innovation Hub**
- **IT – operations and software**
  Hermann Sikora

CFO
Reinhard Schwendtbauer

- **Equity Investments**
  Daniel Haider
- **Group accounting and controlling**
  Otto Steininger
  Joachim Shelton-Stefani
- **Purchasing management**
  Christian Lindner
- **Tax office**
  Günther Silber
- **Factoring**
  Andreas Wagner
- **Leasing**
  Manfred Herbsthofer
- **Real estate management**
  Eduard Hrab

*reports to the entire Managing Board

Level 2 Level 3 Outsourced core areas

IMPRINT

Owner, editor and publisher:
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz
Telefon: +43 732 65 96-0
FN 247579 m, Linz District Court
DVR: 2110419
www.rlbooe.at/impressum

Responsible for content:
Johannes Grüner
Otto Steininger
Volker Fischlmayr
Michael Ehrengruber
with contributions from virtually every department at Raiffeisenlandesbank Oberösterreich

Layout: Raiffeisenlandesbank Oberösterreich, Corporate Communications
Photos: Werner Harrer, Linz
Printing: Druckerei Haider Manuel e.U., Schönau i.M.

Notes:
Gender-neutral language: In order to facilitate legibility, we have largely dispensed with gender-specific differentiation. The content refers to both genders equally, in accordance with non-discrimination.

The Interim Financial Report of Raiffeisenlandesbank Oberösterreich 2022 is an English translation.
If there are discrepancies, the German original shall apply. No liability is assumed for typographical or printing errors.

Europaplatz 1a, 4020 Linz
Tel. +43 732 65 96-0
E marketing@rlbooe.at

rlbooe.at

Printed in accordance with the "Printed Products" Guideline of the Austrian Eco-label, Druckerei Haider Manuel e. U., UW No. 1157

PRINTED IN AUSTRIA